The Department of State bulletin

VOLUME XVII: Numbers 418–443
July 6–December 28, 1947
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THE GENEVA CHARTER FOR AN INTERNATIONAL TRADE ORGANIZATION:
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The Department of State Bulletin

Vol. XVII, No. 431 • Publication 2931

The Department of State Bulletin, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The Bulletin includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
"Q.R." has become a symbol for the vital international economic issues at stake in the charter for an international trade organization.

Q.R. means quantitative restrictions—the most serious obstacle threatening the reconstruction of world trade. All of the other objectives, principles, and provisions of the ITO charter—whether they relate to employment, to economic development, to tariffs and internal barriers, to cartels, or to commodity agreements—have significance only so far as a satisfactory method is found of dealing with Q.R.

Tariffs affect competition by giving some producers higher prices than others. But quantitative restrictions, which rigidly limit imports and exports to specified amounts, kill competition altogether. No matter how much a purchaser may want an imported product, he cannot buy as much of it as he is willing to pay for if a quantitative restriction stands in the way. The production of goods makes sense only if they can be distributed to consumers. Quantitative restrictions cut across the distribution systems of the world, destroy world markets, and lead to economic self-sufficiency and isolationism. Under a regime of quantitative restrictions trade is no longer a matter of buying and selling between business enterprises in different countries; it becomes an affair of state, with bargaining between governments as to what goods, in what amounts, will be exchanged.

The Geneva charter condemns quantitative restrictions in principle. It does not abolish them, for their use is sometimes legitimate; but it confines them to exceptional circumstances which are narrowly defined, carefully safeguarded, and subject to international scrutiny and control.

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The basic rule on quantitative restrictions is a simple one, namely, that they are prohibited (paragraph 1 of article 20). This rule is followed by specific exceptions dealt with in the following paragraphs of article 20 and in articles 21, 22, 23, and 24. The length and detail of the text relating to these exceptions have been cited by critics as evidence that the exceptions are so numerous and so wide open that they cancel out the general principle. As a matter of fact, the length and detail of the provisions relating to exceptions are due to the elaborate safeguards which have been thrown around their use in order to preserve the integrity of the general principle.

There are two main exceptions to the rule against quantitative restrictions: one to permit import quotas for agricultural products in surplus, and the other to permit import restrictions to protect a country's monetary reserves and safeguard its international financial position. Both of these exceptions have precedents in the trade agreements concluded between the United States and other countries during the interwar years. The other exceptions are primarily technical or transitory in nature and do not materially affect the long-run goal of eliminating quantitative restrictions.

Editor's Note: These articles are part of a series in the Bulletin describing the draft charter for an international trade organization formulated at Geneva by the Preparatory Committee for the United Nations Conference on Trade and Employment which will open at Habana on November 21 of this year. The first article in the series described the General Commercial Provisions of the charter on tariffs, customs matters, and internal barriers (see Bulletin of Sept. 28, 1947, p. 603). Later articles will relate to Subsidies and State Trading, Cartel and Commodity Policy, and the Structure of the ITO.
Agricultural Quotas

The exception for quotas on surplus agricultural products (paragraph 2 (c) of article 20) is made necessary by the fact that, in the field of agriculture, governments have so frequently and universally intervened to reduce surpluses and prevent disastrously low farm prices by limiting the output or marketing of domestic farm products. An example of this is the United States Sugar Act of 1937, which seeks to keep sugar prices at a reasonable level by regulating the quantity of sugar, whether domestic or foreign, which comes onto the market. So long as governments limit the domestic production of a product, they must be free to take like action with respect to imports. If they did not, imports would increase, drive prices down, and enlarge the surplus, and the whole scheme would fall.

Three requirements must be met before agricultural quotas can be imposed under the charter. First, imports may not be restricted unless the domestic product is also restricted. This rule is necessary to prevent the use of quotas for ordinary protective purposes. Secondly, the domestic product must be restricted to approximately the same degree as the imported product. This requirement, which is related to the first, is necessary to prevent countries from applying their restrictions in such a way as to boost domestic output by cutting down on imports. Finally, advance public notice must be given of the amount of imports to be let in, and the member applying the restriction must consult with any other member who complains that the restriction does not meet the requirements referred to above.

Balance-of-Payments Restrictions

The exception for import restrictions necessary to safeguard a country's balance of international payments is a recognition of the hard fact that nations, like individuals, cannot long continue to buy things for which they cannot pay. If money is lacking, purchases must be cut accordingly. The only effective way in which a nation can reduce its total foreign purchases to the amounts it can pay for is to impose quantitative restrictions on imports.

The article on balance-of-payments restrictions (article 21) is the longest in the charter. It is long because international finance and exchange is a complicated subject. The articles of agreement of the International Monetary Fund, which relate solely to the financial aspects of the exchange problem, take up 41 closely printed pages. Article 21 of the Geneva charter is long also because it seeks to make sure that restrictions will be applied only when necessary for financial reasons and not for ulterior purposes; that their administration will be fair and reasonable in the light of the needs and interests of other countries; and that there will be adequate international procedures to insure the enforcement of these rules.

While the detailed clauses of the Geneva charter on balance-of-payments restrictions are elaborate and complex, the general ground rules are fairly simple:

First, countries may use restrictions only "to the extent necessary" to keep a reasonable amount of monetary reserves—that is to say, an adequate pool of money—available to pay for foreign goods. In other words, they can limit their buying from other countries only when their pocketbooks are in real danger.

Secondly, countries must stop restricting imports when their monetary reserves have again reached a reasonable level. In other words, they must start buying again, in a normal way, when their pocketbooks are out of danger. They may not keep the restrictions on in order, for example, to shelter or build up inefficient industries at the expense of the trade of other countries.

Thirdly, countries in balance-of-payments difficulties must consult with the International Trade Organization, either before or after applying restrictions. The purpose of consultation is to enable the ITO to find out precisely what the difficulties are, to see whether there is any way in which they can be overcome, short of imposing restrictions on imports, and to estimate what the effect of the restrictions might be on the trade of other countries.

It is not enough to agree upon ground rules if each country can decide for itself whether it is observing them. An enforcement procedure is necessary. Accordingly, procedures are provided in the charter whereby any member of the ITO can complain that another member has failed to live up to the ground rules to the detriment of the trade of the complaining member. The ITO is then required to look into the matter. If it finds that the complaint is justified, and if an amicable settle-
ment is not made, the ITO must recommend the withdrawal or modification of the restrictions complained about. If these recommendations are not followed, the ITO may authorize the complaining member to impose higher tariffs, or quotas, or other measures generally forbidden by the charter, against the trade of the offending member. In this way an effective penalty is brought to bear against countries which violate the obligations they have undertaken.

There is danger that countries may deliberately tailor their domestic policies, such as development or employment programs, so as to keep themselves in constant balance-of-payments difficulties with a view to protecting their industries from foreign competition or cutting themselves off economically from the rest of the world. However, purely domestic policies cannot practicably be brought within the purview of the International Trade Organization. A series of provisions has therefore been worked out, designed, on the one hand, to place essentially domestic matters beyond outside interference and, on the other, to assure that the effect of such policies on the trade of other countries will be compatible with the objectives of the ITO to expand international commerce. Thus, while a member cannot be ordered by the ITO to change domestic policies, on the ground that this would ease its balance-of-payments problems, it must agree to abide by certain principles in carrying them out. Concretely, it is provided that members, in carrying out their domestic policies, undertake:

"(i) to pay due regard to the need for restoring equilibrium in their balance of payments on a sound and lasting basis and to the desirability of assuring an economic employment of productive resources;

"(ii) not to apply restrictions so as to prevent unreasonably the importation of any description of goods in minimum commercial quantities, the exclusion of which would impair regular channels of trade, or restrictions which would prevent the importation of commercial samples, or prevent compliance with patent, trademark, copyright, or similar procedures; and

"(iii) to apply restrictions under this article in such a way as to avoid unnecessary damage to the commercial or economic interests of any other Member."

Quantitative restrictions, which are the concern of the ITO, and exchange restrictions, which are the concern of the International Monetary Fund, are equally effective methods of controlling trade. It is essential, therefore, that these two organizations work hand in hand. Article 24 of the charter provides for close collaboration between the ITO and the Fund. Members of the ITO are required either to join the Fund or to make a special exchange agreement with the ITO which will be supervised by the Fund. Members are permitted to use exchange restrictions under the rules laid down by the Fund agreement but they must not be applied in such a way as to frustrate the intent of the rules laid down in the ITO charter. Finally, the ITO must consult fully with the Fund on all financial and balance-of-payments questions; must accept the findings of the Fund on all factual matters relating to foreign exchange, monetary reserves, and balance of payments; and must accept the determination of the Fund as to whether a country's financial position warrants the application of quantitative restrictions under the charter.

Other Restrictions

Agricultural quotas and balance-of-payments restrictions are the two "large" exceptions to the rule against quantitative trade controls. There are a number of smaller ones. Permission is given for export restrictions on foodstuffs in critically short supply (for example, to cope with famine conditions); for import and export restrictions to enforce grading standards (for example, a prohibition on imports of substandard tea); for import restrictions to make possible the giving away of surplus goods without creating disorderly markets; for restrictions to prevent excessive exports of a product when the domestic price is controlled; for restrictions applied under an approved intergovernmental commodity agreement; and for restrictions which are necessary to deal with price controls, short-supply arrangements, and war-created surpluses during a postwar transitional period, ending on January 1, 1951.¹

Restrictions applied under many of these ex-

¹The exceptions for restrictions under commodity agreements and for postwar transitional measures are provided for in article 43 (exceptions to all of the commercial policy chapter) rather than in article 20 (quantitative restrictions), since measures other than quantitative restrictions may be necessary.
ceptions will tend to disappear as the after-effects of the war are overcome and production in areas hit by the war is restored. Other exceptions have a limited application and are likely to be used only in rare instances. None of these exceptions is such as to impair the value of the general rule against quotas over the broad range of world trade.

Nondiscrimination

It is central to the purpose of the ITO to restore multilateral trading and eliminate discrimination in all its forms. While some discrimination is inevitable so long as quantitative restrictions exist, article 23 of the charter seeks to make the administration of quantitative restrictions conform as closely as possible to the most-favored-nation principle. If restrictions are applied to imports of a product from any country, they must be applied to imports of that product from all countries. They should, if possible, take the form of published quotas stating in advance the amount of the product that will be let in. If these quotas are allocated among countries, the allocations must be fair, and to this end the country applying the quota must either reach agreement with all other countries concerned or else base its allocation upon the trade in a past period considered to be representative. If published quotas are not used and the restriction takes the form of a licensing regulation, the licenses may not require or provide that the goods be imported from a particular country. Members using licensing systems are required, upon request, to give full information to other members regarding the administration of the system, the licenses granted over a recent period, and the distribution of the licenses among supplying countries.

There are necessary exceptions to the rule that quantitative restrictions must be nondiscriminatory. Article 23 recognizes that a country in balance-of-payments difficulties may sometimes be able to conserve its monetary reserves and increase its imports by purchasing more than the normal share of imports from particular foreign countries. This would be true, for example, if a country, hard-pressed to find enough foreign exchange to pay for all that it wanted to buy from abroad, had accumulated as part of its monetary reserves a stock of "inconvertible" foreign currencies which could not be used for payment everywhere in the world but only to pay for imports from a particular country. In such cases rigid enforcement of the rule of nondiscrimination would mean that the country concerned would have to forego importing a product from country A, even though it was able to pay country A, solely because it was unable to import and pay for the like product of countries B, C, and D. In other words, too rigid an application of the rule of nondiscrimination in such circumstances might tend to reduce, rather than enlarge, the total of world trade.

Departures from the rule of nondiscrimination, no matter how justifiable in theory, are dangerous in practice. Unless closely controlled they are likely to lead to barter arrangements or other bilateral deals designed to obtain preferential markets rather than to solve financial problems. Article 23, therefore, sets out a number of safeguards to keep discrimination within bounds and eventually to place trading on a fully multilateral, nondiscriminatory basis.

Discriminations based on financial considerations must first of all result in increased imports; they cannot be employed merely to divert trade from one source of supply to another. Secondly, the prices paid for the goods imported under discriminatory restrictions cannot be substantially higher than the prices of like goods available from other sources. This tends to limit the scope of discrimination and to minimize its harmful effects. Thirdly, the discrimination cannot be part of any arrangement which would reduce the country's supply of gold or convertible currencies. This rule is aimed against bilateral bargains to carve out preferential trading areas. Fourthly, import programs involving discrimination must ultimately be directed to the goal of eliminating balance-of-payments difficulties and achieving the full convertibility of currencies. Fifthly, countries practicing discrimination must keep the ITO regularly informed of what they are doing and, after March 1, 1952, must obtain the approval of the ITO if they are to continue the practice. Sixthly, the ITO can at any time require a country to remove discriminations which do not meet the criteria set out in the charter. Seventhly, if the ITO considers at any time that there is no longer a wide-spread disequilibrium in international trade, it may completely suspend the operation of this exception to the general rule against discrimination.

In addition to the provisions described above,
there are certain other exceptions to the rule. Some of these are technical, being necessary to carry out the articles of agreement of the International Monetary Fund. Others are based on provisions in the Anglo-American financial agreement. One is a temporary arrangement permitting the maintenance of preferential quotas on four or five specific products pending their outright elimination by negotiation or their replacement by tariff preferences.

Any fair review of the articles on quantitative restrictions in the Geneva charter must recognize that the exceptions to the rule against quotas are substantial. But they do not invalidate the rule. The practices which remain forbidden are more important for world trade in the years ahead than those which are permitted, and many of the latter, such as measures to protect balances of payments, will drop off or be disallowed as production and trade recover from the war.

The charter is a long-range plan for intergovernmental cooperation in the conduct of basic trade policies. To work effectively it must fit the facts which face governments today as well as the hopes which motivate governments for tomorrow. The articles on quantitative restrictions are the product of a practical idealism; they reflect awareness both of the conditions that exist and of those that must be established if the future is to be one of economic expansion instead of stagnation.

III. Employment and Economic Development

The Geneva draft of the charter for an international trade organization is the first document of common international understanding containing a well-reasoned body of economic ideas and objectives dealing with the interrelationships of production, employment, economic development, and world trade. The achievement is all the more notable because of the large measure of agreement reached by delegates, representing a variety of economic and political viewpoints, upon the basic interdependence of economic programs for the stabilization of production and employment and international programs for the liberation and expansion of trade.

No dissent or reservation was expressed by any delegate from the principles contained in chapter II, "Employment and Economic Activity". While there were a number of reservations made to specific provisions of chapter III, "Economic Development", none of these questioned the economic conceptions upon which the chapter's provisions were founded.

There follow summaries of the basic concepts of the two chapters.

The full development of international trade and the realization of the benefits to be derived from trade depend upon the maintenance and development of production, employment, and demand for goods and services throughout the world. The full development of trade-supporting demand depends upon the domestic policies of the countries of the world specifically or generally directed to this end, including the development and maintenance of fair labor standards, related especially to increasing levels of productivity, and upon the development of the potentialities and resources of the underdeveloped and underindustrialized portions of the world. Fuller economic development of the underdeveloped portions of the world, leading to increased productivity of both industry and agriculture, depends upon the availability of economic resources, including capital for international investment, equipment, technology, and trained personnel, from the industrialized countries which are in a position to supply them.

Conversely, the failure of one country to maintain domestic employment and demand may contribute to serious economic difficulties in other countries and to the breakdown of international trade and the diminution of its benefits. Unreasonable barriers to the acquisition of economic resources needed for developmental purposes will prevent expansion of production and demand and will perpetuate low standards of living in many parts of the world.

These concepts have, for the most part, been incorporated in the charter in terms of the recognition of principles and objectives toward which the members of the Organization will strive in

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formulating their domestic programs. The delegates who drafted the Geneva text fully realized the great divergences of opinion that exist in the world and that may exist within a single nation concerning the proper selection of domestic policies and measures to achieve these objectives. They sought, therefore, to preserve the widest latitude possible for a variety of domestic approaches to the designated ends.

A clear distinction is made in the language of the draft between the economic principles to which the members will give general recognition, subject finally to their own best judgment, the responsibilities which they undertake to perform in a prescribed manner, the obligations which they undertake to perform in consultation with other members or in conjunction with international authority, and the situations in which the international authority itself is given a specific function to perform.

The basic idea that the nations of the world have a common interest in the avoidance of unemployment and underemployment is set forth (article 2) as a recognition of principle. This is followed by a statement that action in this field "must depend primarily on domestic measures", but that such measures should be supplemented by concerted governmental action through whatever bodies of the United Nations, acting under the general sponsorship of the Economic and Social Council, might appropriately be involved.

The contracting members assume a positive obligation in article 3 with respect to the achievement and maintenance of "full and productive employment and large and steadily growing demand", in language generally similar to that of the Full Employment Act of 1946. The measures which the member takes shall be "appropriate to its political, economic and social institutions". The language of the charter further recognizes that fulfillment of these objectives may well be beyond the capacity of action by individual governments and that entirely well-intentioned measures may therefore fall short of their goal. The member's responsibility under the charter is not, therefore—and could not reasonably be—the achievement of a state of full and productive employment but is the taking of "action designed" to achieve and maintain full and productive employment.

Similarly, the obligation toward the achievement and maintenance of fair labor standards (article 4) is couched in terms of taking "whatever action may be appropriate and feasible" to eliminate substandard conditions of labor. In view of the prevalence of wide international differences in productivity, no attempt was made to establish any conception of international uniformity in labor conditions. The phrase substandard, for example, was left without further definition in full realization of the complexity of wage relationships within even a single country. Implementation of the provisions of this article are also a matter of domestic action. A change introduced into the Geneva draft of the charter adds to the domestic obligations of those members who are also members of the International Labor Organization an undertaking to cooperate with the ILO in achieving the objectives of this article.

To reinforce the agreed-upon principle that domestic measures relating to employment, production, and demand bear an important relation to economic conditions in the rest of the world, the charter also attempts to insure that the measures taken by members to achieve full and productive domestic employment shall be of the kind which look toward the expansion of employment by means of the expansion of trade rather than by the building of uneconomic industry or the achievement of economic autarchy. Thus article 3 provides that measures taken to sustain employment, production, and demand shall be consistent with the other objectives and provisions of the charter, which envisage a minimum and diminishing quantity of trade restrictions. The article provides further, in the same vein, that members shall "seek to avoid" measures which would place other countries in difficult balance-of-payments situations.

One of the most serious economic problems tackled in the charter is the question of domestic action to be taken when balance-of-payments difficulties do arise. The charter recognizes that in the complex world of modern international economics, balance-of-payments difficulties arise because of a variety and often a complexity of reasons. Cause or blame cannot readily be attributed to the policies of any one nation. Sound economic policy, nevertheless, requires that all nations which may be involved in the problem cooperate to solve it, and that solutions be found favoring the expansion, rather than the restriction,
of international trade. Accordingly, when an excess of exports over imports in the trade of one member country is a major factor in the difficulties of other members, and when the possibility thereupon arises that the other members will have to take restrictive action to preserve domestic employment, the member with the favorable balance of trade is to contribute to the working out of the common problem. Appropriate action must also be taken by the members adversely affected to extricate themselves from their own difficulties. The kinds of measures to be used are, of course, to be decided by the governments concerned.

The chapter on employment and economic activity emphasizes chiefly the attainment and maintenance of full and productive employment. It is the chapter on economic development that looks to a major source of the future expansion of world trade through raising the productivity and realizing the potential capacity of relatively undeveloped areas. The detailed provisions of the chapter are designed to facilitate the basic pledge of the members in article 9 to develop progressively their own economic and industrial resources and to raise general levels of productivity in both industry and agriculture. This will result in increased demand for goods and higher living standards. Increased diversification of industrial activity within the developing country may help to increase domestic ability to withstand a decline in foreign markets. An increased level of economic activity will add specialized, low-cost productive resources and demand for the products of other countries to the channels of international trade.

While the responsibility for economic development is essentially a domestic one, it is of the sort which necessarily places heavy reliance upon the capital, technical, and industrial resources of the capital-exporting countries. Accordingly, the charter, in article 11, obligates members possessing such capital resources to impose no unreasonable impediments to their acquisition, on equitable terms, by countries needing them for economic development.

The ITO itself is given essentially a coordinating role with respect to the technical problems of development. Members in need of technical advice or financial assistance may come to the Organization for aid and the Organization will help them to find such assistance. This may involve the temporary services of technical experts from several nations or the collaboration of another specialized intergovernmental organization, such as the International Bank for Reconstruction and Development.

Of at least equal importance are the expanded provisions in the charter for the equitable and secure treatment of investors, capital, and property of foreign nationals engaged in the kind of activity which is the cornerstone of economic development. In addition to a number of provisions for the minimum security of private international investment which are written directly into the charter, the Organization is given general authority to sponsor and promote international agreement on further principles relating to the conduct, practices, and treatment of foreign investment. Eventually, this international agreement should take shape as an investment code.

The investment provisions included in the charter itself permit members to exclude all foreign investments, if they wish, or to discriminate among the sources from which they will accept them. They also permit members to maintain existing arrangements and to institute new arrangements which discriminate against new foreign investments. But, in the case of existing investments or new investments, once they have been made, the charter requires each member to treat the investors of any other member as well as it treats its own investors or those of any other country. The basic rule is that no new discriminatory measure can be applied to an investment after it has been made. A member may write its own rules, but it cannot change them after the beginning of the game.

If a member should require that its own citizens participate in the ownership of a particular industry and if this requirement should involve a transfer of ownership from the nationals of another member, these nationals must be paid “just consideration” for the property they are required to sell. And if a member country should take over the ownership of a foreign enterprise, it must pay “just compensation” to the foreign nationals involved. The terms just consideration and just compensation, moreover, are defined to cover all aspects of payment, including adequacy, time, and form. If any limitation is imposed on the transfer of payments into the currency of the foreign sellers of the property concerned, it must be con-
sistent with the provisions of the International Monetary Fund.

Finally, the charter obligates members not to take "unreasonable or unjustifiable" action which would injure the rights or interests of foreign nationals who have supplied enterprise, skills, capital, arts, or technology to the developing country.

An important part of the problem of economic development is the question of protection for the infant industry. The commercial policy sections of the charter (chapter IV) permit the use of both tariffs and subsidies for economic development as well as for other aspects of commercial policy. The use of other protective measures, however, and particularly the use of quantitative trade restrictions and discriminatory internal taxes, is severely limited. The use of protection is, of course, most appropriate where required for sound economic development. Even in such cases the need to go beyond the use of tariffs and subsidies to the employment of quantitative restrictions is limited to special situations. Moreover, quantitative restrictions, once established, may be relatively more difficult to remove than other measures used for the same purpose. Their establishment not only creates protection for the domestic industry but fosters vested interests in specific directions of trade. And not of minor importance is the fact that it is frequently impossible to distinguish protection for economic development from protection for other purposes.

Accordingly, the charter reserves the employment of quantitative restrictions, even for the purpose of economic development, to those cases in which the nature of the development problem makes the use of other devices inappropriate or ineffective. The basic rule, set forth in article 13 of the charter, is that a member must obtain the prior approval of the Organization for this use.

This does not mean, however, that the Organization is given the power to review or veto the economic development plans of its members. Determination of the nature and scope of the industries to be developed is exclusively the prerogative of the member country involved. The role of the Organization is limited to the determination of the one question: Is it necessary for the member to use methods of protection otherwise prohibited by the charter, rather than the methods which the charter allows, to accomplish its purpose of development?

The requirement of prior approval for the use of quantitative restrictions in economic development was one of the most thoroughly debated portions of the Geneva draft. The underdeveloped countries contended strongly for freedom to impose restrictions subject to a provision allowing the ITO subsequently to examine the measures and to order their discontinuance. The procedures and standards finally agreed upon were designed to provide a fair balance between the possible need of the underdeveloped country to employ temporary restrictive devices for developmental purposes and the broader interests of the world in preserving a trading community free from avoidable restrictions.

In recognition of the special problems of the underdeveloped country, a series of standards is provided which, if met by the member seeking to impose quantitative restrictions, would create a presumption in favor of approval. The chief of these standards are (a) that the proposed measures be no more restrictive of international trade than tariffs or subsidies which the members could practically impose under the charter, and (b) that they are more suitable to the purpose than other available methods of protection.

Procedurally, the underdeveloped country is given the additional assurance of quick action by the Organization; the latter is obligated to act within a definite period of time. Moreover, if the development of an industry is threatened because the prospect of Organization approval of new restrictions results in an unusual increase in imports of the products concerned, the member involved is permitted temporarily to adopt measures to deal with the situation. The Organization may also give approval to the institution of a new preferential arrangement, otherwise prohibited by the charter, if it is designed to foster economic development.

The basic requirement of prior action by the Organization, together with the Organization's power to surround its approval with conditions and restrictions as to timing, is designed to protect the interests of the rest of the world and to insure that restrictive measures will be considered coolly and impartially before they are instituted and take firm root.

The approval which the Organization gives to (Continued on page 680)
THE UNITED NATIONS AND SPECIALIZED AGENCIES

Second Session of the General Assembly

The Establishment of an Interim Committee of the General Assembly

UNITED STATES PROPOSAL

THE GENERAL ASSEMBLY

Conscious of the responsibilities specifically conferred upon it by the Charter in relation to the maintenance of international peace and security (Article 11), the promotion of international co-operation in the political field (Article 13), peaceful adjustment of any matters likely to impair the general welfare and friendly relations among nations (Article 14);

DEEMING IT NECESSARY for the effective performance of these functions to establish a committee for study, inquiry and discussion on its behalf during the period between the adjournment of the present session and the convening of the next regular session of the General Assembly (Article 22);

RECOGNIZING fully the primary responsibility of the Security Council for prompt and effective action for the maintenance of international peace and security (Article 24);

RESOLVES THAT

1. An Interim Committee is created composed of all the Members of the United Nations, each Member to have one representative;

2. The Interim Committee shall assist the General Assembly by performing the following duties and functions:

   (a) to consider, as it may determine, such situations as may come to its attention within the purview of Article 14, or such questions as are brought before the General Assembly by the Security Council pursuant to Article 11 (2), and to report thereon, with its recommendations to the General Assembly;

   (b) to consider and to make recommendations to the General Assembly upon general principles of co-operation in the maintenance of international peace and security under Article 11 (1) and to initiate studies and make recommendations for the purpose of promoting international co-operation in the political field under Article 13 (I) (a);

   (c) to consider whether occasion may require the calling of a special session of the General Assembly and if it deems that such session is required, to so advise the Secretary-General;

   (d) to conduct investigations and appoint commissions of inquiry within the scope of its duties and functions as it may deem useful and necessary;

   (e) to study, report and recommend to the Third Regular Session of the General Assembly on the advisability of establishing a Committee of the General Assembly on a permanent basis to perform the duties and functions of the Interim Committee with any changes considered desirable in the light of its experience;

   (f) to perform such other functions and duties as the General Assembly may assign to it.

3. In discharging its duties and functions, the Interim Committee shall at all times take cognizance of the responsibilities of the Security Council under the Charter for the maintenance of international peace and security, and it shall also take duly into account the duties and functions assigned by the General Assembly or by the Security Council to any committee or commission, such as the Atomic Energy Commission, and the Commission for Conventional Armaments.

4. The provisional rules of procedure of the General Assembly shall, so far as applicable, govern the proceedings of the Interim Committee and such sub-committees and commissions as it may set up. The Interim Committee shall elect its Chairman, Vice-Chairman, Rapporteur and such other officers as it may deem necessary. The Interim Committee shall be convened by the Secretary-General within fifteen days following the

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Close of the Second Regular Session of the General Assembly, and it shall continue to serve until the beginning of the Third Regular Session of the General Assembly.

5. The Secretary-General shall enter into suitable arrangements with the appropriate authorities of any Member State in whose territory the Interim Committee or its sub-committees or commissions may wish to sit or to travel. He shall provide necessary facilities and assign appropriate staff as required for the work of the Interim Committee, its sub-committees and commissions.

Threats to the Political Independence and Territorial Integrity of Greece

**United States Proposal**

**Whereas**

The peoples of the United Nations have expressed in the Charter of the United Nations their determination to practice tolerance and to live together in peace with one another as good neighbours and to unite their strength to maintain international peace and security; and to that end the members of the United Nations have obligated themselves to carry out the purposes and principles of the Charter;

**The General Assembly of the United Nations,**

**Having considered** the record of the Security Council proceedings in connection with the complaint of the Greek Government of 3 December 1946, including the report submitted by the Commission of Investigation established by the Security Council resolution of 19 December 1946, and information supplied by the Subsidiary Group of the Commission of Investigation subsequent to the report of the Commission:

**Finds** that Albania, Bulgaria and Yugoslavia, in contravention of principles of the Charter of the United Nations, have given assistance and support to the guerrillas fighting against the Greek Government;

**Calls upon** Albania, Bulgaria and Yugoslavia to cease and desist from rendering any further assistance or support in any form to the guerrillas fighting against the Greek Government;

**Calls upon** Albania, Bulgaria and Yugoslavia on the one hand and Greece on the other to co-operate in the settlement of their disputes by peaceful means, and to that end recommends

1. That they establish normal diplomatic and good neighbourly relations among themselves as soon as possible;

2. That they establish frontier conventions providing for effective machinery for the regulation and control of their common frontiers and for the pacific settlement of frontier incidents and disputes;

3. That they co-operate in the settlement of the problems arising out of the presence of refugees in the four States concerned through voluntary repatriation wherever possible and that they take effective measures to prevent the participation of such refugees in political or military activity;

4. That they study the practicability of concluding agreements for the voluntary transfer of minorities;

**Establishes** a Special Committee

1. To observe the compliance by the four governments concerned with the foregoing recommendations;

2. To be available to assist the four governments concerned in the implementation of such recommendations;

**Recommends** that the four governments concerned co-operate with the Special Committee in enabling it to carry out these functions;

**Authorizes** the Special Committee, if in its opinion further consideration of the subject matter of this resolution by the General Assembly prior to its next regular session is necessary for the maintenance of international peace and security, to recommend to the members of the United Nations that a special session of the General Assembly be convoked as a matter of urgency.

**The Special Committee**

**Shall consist of representatives of**

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THE UNITED NATIONS AND SPECIALIZED AGENCIES

shall have its principal headquarters in Salonika and with the co-operation of the four governments concerned shall perform its functions in such places and in the territories of the four States concerned as it may deem appropriate;

shall render a report to the next regular session of the General Assembly and to any prior special session which might be called to consider the subject matter of this resolution, and shall render such interim reports as it may deem appropriate to the Secretary-General for transmission to the Members of the Organization; in any reports to the General Assembly the Special Committee may make such recommendations to the General Assembly as it deems fit;

shall determine its own procedure, and may establish such sub-committees as it deems necessary;

shall commence its work as soon as practicable after ——, 1947, and shall remain in existence pending a new decision of the General Assembly.

THE GENERAL ASSEMBLY

requests the Secretary-General to assign to the Special Committee staff adequate to enable it to perform its duties, and to enter into a standing arrangement with each of the four governments concerned to assure the Special Committee, so far as it may find it necessary to exercise its functions within their territories, of full freedom of movement and all necessary facilities for the performance of its functions.

Current United Nations Documents: A Selected Bibliography

General Assembly


General Committee. Proposed Allocation of Agenda Items to the Committees. Note by the Secretary-General. A/BUR/82, September 12, 1947. 5 pp. mimeo.

Documentation of the Provisional Agenda and Supplementary List of Items to 11 September 1947. Prepared by the Documents Index Unit. A/INF/10, September 12, 1947. 6 pp. mimeo.

The Journal of the General Assembly, Second Session, will be printed daily during the Assembly meetings.


Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2900 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.
# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings

**Closed During Month of September**

<table>
<thead>
<tr>
<th>Organization</th>
<th>Event Description</th>
<th>Location</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMO (International Meteorological Organization)</td>
<td>Meeting of the Technical Commissions.</td>
<td>Toronto</td>
<td>Aug. 4–Sept. 13</td>
</tr>
<tr>
<td>Anglo-American Conversations Regarding German Coal Production</td>
<td></td>
<td>Washington</td>
<td>Aug. 12–Sept. 10</td>
</tr>
<tr>
<td>Inter-American Conference on the Maintenance of Continental Peace and Security</td>
<td></td>
<td>Petropolis, Brazil</td>
<td>Aug. 15–Sept. 2</td>
</tr>
<tr>
<td>International Exhibition of Cinematographic Arts</td>
<td></td>
<td>Venice</td>
<td>Aug. 23–</td>
</tr>
<tr>
<td>FAO (Food and Agriculture Organization): Annual Conference: Third Session</td>
<td></td>
<td>Geneva</td>
<td>Aug. 25–Sept. 11</td>
</tr>
<tr>
<td>United Nations:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Committee on Information From Non-Self-Governing Territories</td>
<td></td>
<td>Lake Success</td>
<td>Aug. 28–Sept. 12</td>
</tr>
<tr>
<td>ECOSOC (Economic and Social Council): Statistical Commission: Second Session</td>
<td></td>
<td>Lake Success</td>
<td>Aug. 28–Sept. 4</td>
</tr>
<tr>
<td>Committee on Administration and Finance</td>
<td></td>
<td>Geneva</td>
<td>Aug. 30–Sept. 13</td>
</tr>
<tr>
<td>Fourth Session of the Interim Commission</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fourth International Cancer Research Congress</td>
<td></td>
<td>St. Louis</td>
<td>Sept. 2–7</td>
</tr>
<tr>
<td>Committee on 1950 Census of the Americas</td>
<td></td>
<td>Washington</td>
<td>Sept. 2–8</td>
</tr>
<tr>
<td>ILO (International Labor Organization): Industrial Committee on Metal Trades</td>
<td></td>
<td>Stockholm</td>
<td>Sept. 3–15</td>
</tr>
<tr>
<td>25th Session of the International Statistical Institute</td>
<td></td>
<td>Washington</td>
<td>Sept. 6–18</td>
</tr>
<tr>
<td>First General Assembly of the Inter-American Statistical Institute</td>
<td></td>
<td>Washington</td>
<td>Sept. 6–18</td>
</tr>
<tr>
<td>World Statistical Congress</td>
<td></td>
<td>Washington</td>
<td>Sept. 8–12</td>
</tr>
<tr>
<td>Second Annual Meeting of the Board of Governors of the International Bank for Reconstruction and Development</td>
<td></td>
<td>London</td>
<td>Sept. 11–17</td>
</tr>
<tr>
<td>Second Annual Meeting of the Board of Governors of the International Monetary Fund</td>
<td></td>
<td>London</td>
<td>Sept. 11–17</td>
</tr>
<tr>
<td>Cannes Film Festival</td>
<td></td>
<td>Cannes</td>
<td>Sept. 12–25</td>
</tr>
<tr>
<td>ICAO (International Civil Aviation Organization): Meteorological Division</td>
<td></td>
<td>Montreal</td>
<td>Sept. 17 (one day)</td>
</tr>
<tr>
<td>Pan American Sanitary Organization: Executive Committee</td>
<td></td>
<td>Buenos Aires</td>
<td>Sept. 22–23</td>
</tr>
</tbody>
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**In Session as of September 30, 1947**

<table>
<thead>
<tr>
<th>Organization</th>
<th>Event Description</th>
<th>Location</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Far Eastern Commission</td>
<td></td>
<td>Washington</td>
<td>Feb. 26–</td>
</tr>
</tbody>
</table>

1 Prepared in the Division of International Conferences, Department of State.
2 Exact closing date not known.
<table>
<thead>
<tr>
<th>Event</th>
<th>Location</th>
<th>Dates</th>
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<tbody>
<tr>
<td>United Nations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security Council</td>
<td>Lake Success</td>
<td>Mar. 25–1946</td>
</tr>
<tr>
<td>Military Staff Committee</td>
<td>Lake Success</td>
<td>Mar. 25–1946</td>
</tr>
<tr>
<td>Commission on Atomic Energy</td>
<td>Lake Success</td>
<td>June 14–1947</td>
</tr>
<tr>
<td>Commission on Conventional Armaments</td>
<td>Lake Success</td>
<td>Mar. 24–1947</td>
</tr>
<tr>
<td>General Assembly</td>
<td>Lake Success</td>
<td>Sept. 22–1947</td>
</tr>
<tr>
<td>ECOSOC (Economic and Social Council): Subcommission on Statistical Sampling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>German External Property Negotiations (Safehaven):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>With Portugal</td>
<td>Lisbon</td>
<td>Sept. 3–1946</td>
</tr>
<tr>
<td>With Spain</td>
<td>Madrid</td>
<td>Nov. 12–1946</td>
</tr>
<tr>
<td>Inter-Allied Trade Board for Japan</td>
<td>Washington</td>
<td>Oct. 24–1947</td>
</tr>
<tr>
<td>International Conference on Trade and Employment: Second Meeting of Preparatory Committee</td>
<td>Geneva</td>
<td>Apr. 10–1947</td>
</tr>
<tr>
<td>Council of Foreign Ministers:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Committee To Examine Disagreed Questions of the Austrian Treaty</td>
<td>Vienna</td>
<td>May 12–1947</td>
</tr>
<tr>
<td>Meeting of Deputies for Italian Colonial Problems</td>
<td>London</td>
<td>Sept. 30–1947</td>
</tr>
<tr>
<td>International Radio Conference</td>
<td>Atlantic City</td>
<td>May 15–1947</td>
</tr>
<tr>
<td>International Telecommunications Plenipotentiary Conference</td>
<td>Atlantic City</td>
<td>July 1–1947</td>
</tr>
<tr>
<td>International High Frequency Broadcasting Conference</td>
<td>Atlantic City</td>
<td>Aug. 15–1947</td>
</tr>
<tr>
<td>ICAO (International Civil Aviation Organization):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Committee</td>
<td>Brussels</td>
<td>Sept. 10–1947</td>
</tr>
<tr>
<td>Joint Airworthiness-Operations Committee</td>
<td>Paris</td>
<td>Sept. 23–1947</td>
</tr>
<tr>
<td>Aerodromes, Air Routes, and Ground Aids Division</td>
<td>Montreal</td>
<td>Sept. 23–1947</td>
</tr>
<tr>
<td>ICEF (International Children's Emergency Fund): Program Committee</td>
<td>Lake Success</td>
<td>Sept. 29–1947</td>
</tr>
<tr>
<td>ECITO (European Central Inland Transport Organization): Ninth Session</td>
<td>Paris</td>
<td>Sept. 29–1947</td>
</tr>
</tbody>
</table>

**Scheduled for October–December 1947**

<table>
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<tr>
<th>Event</th>
<th>Location</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference of International Committee on Folk Art and Folklore</td>
<td>Paris</td>
<td>Oct. 1–5</td>
</tr>
<tr>
<td>ICEF (International Children's Emergency Fund): Meeting of Executive Board</td>
<td>Lake Success</td>
<td>Oct. 2–1947</td>
</tr>
<tr>
<td>Rubber Study Group: Meeting of Management Committee</td>
<td>London</td>
<td>Oct. 2–3</td>
</tr>
<tr>
<td>Third International Congress on Grapes, Grape Juice and Wine</td>
<td>Istanbul</td>
<td>Oct. 2–7</td>
</tr>
<tr>
<td>International Conference of National Tourist Organizations: General Assembly</td>
<td>Paris</td>
<td>Oct. 4–1947</td>
</tr>
<tr>
<td>United Nations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Narcotic Drugs Supervisory Body: 28th Session</td>
<td>Geneva</td>
<td>Oct. 6–11</td>
</tr>
<tr>
<td>Narcotic Drugs Supervisory Body: 29th Session</td>
<td>Geneva</td>
<td>Nov. 17–22</td>
</tr>
</tbody>
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**October 5, 1947**
### United Nations—Continued

**ECE (Economic Commission for Europe):**
- Panel on Housing Problems
- Committee on Electric Power
- Subcommittee on Timber
- Committee on Inland Transport
- Committee on Industry and Materials
- Committee on Coal

**ECOSOC (Economic and Social Council):**
- Subcommission on Employment and Economic Stability
- Subcommission on Economic Development
- Commission on the Status of Women: Second Session
- Subcommission on Protection of Minorities and Prevention of Discrimination
- Human Rights Commission: Second Session
- Transport and Communications Commission: Second Session
- International Conference on Trade and Employment
- ECAFE (Economic Commission for Asia and the Far East)
- Trusteeship Council: Second Session
- Permanent Central Opium Board
- International Maritime Conference

**International Conference on Livestock Production**

**International Tin Study Group: Meeting of Management Committee**

**Sixth Pan American Congress of Architects (Including Pan American Exhibits of Architecture and City Planning).**

**First Pan American Consultation on History**

**WHO (World Health Organization): Expert Committee on the Revision of the International Lists of Causes of Death and Morbidity.**

**National Exhibition and Meeting of Cartography and Optics**

**ILO (International Labor Organization):**
- Preparatory Regional Asian Conference
- 103d Session of Governing Body
- Joint Maritime Commission

**Anglo-American Discussion on Financial Provisions of Bi-Zonal Economic Fusion Agreement.**

**IEFC (International Emergency Food Council): Fifth Meeting**

**Second Preliminary Meeting of Experts of Red Cross**

**17th Session of the International Wheat Council**

**Special Committee To Make Recommendations for the Coordination of Safety Activities in Fields of Aviation, Meteorology, Shipping, and Telecommunications.**

**NARBA (North American Regional Broadcasting Agreement): Meeting of Technicians.**

**UNESCO (United Nations Educational, Scientific and Cultural Organization):**
- Executive Board: Fourth Session
- General Conference: Second Session

<table>
<thead>
<tr>
<th>Event</th>
<th>Location</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panel on Housing Problems</td>
<td>Geneva</td>
<td>Oct. 7–</td>
</tr>
<tr>
<td>Committee on Electric Power</td>
<td>Geneva</td>
<td>Oct. 9–15</td>
</tr>
<tr>
<td>Subcommittee on Timber</td>
<td>Geneva</td>
<td>Oct. 15–17</td>
</tr>
<tr>
<td>Committee on Inland Transport</td>
<td>Geneva</td>
<td>Oct. 20–24</td>
</tr>
<tr>
<td>Committee on Industry and Materials</td>
<td>Geneva</td>
<td>Nov. 15–20</td>
</tr>
<tr>
<td>Committee on Coal</td>
<td>Geneva</td>
<td>Nov. 18–22</td>
</tr>
<tr>
<td>Subcommission on Employment and Economic Stability</td>
<td>Lake Success</td>
<td>Nov. 17–</td>
</tr>
<tr>
<td>Subcommission on Economic Development</td>
<td>Lake Success</td>
<td>Nov. 17–</td>
</tr>
<tr>
<td>Commission on the Status of Women: Second Session</td>
<td>Lake Success</td>
<td>Nov. 17–</td>
</tr>
<tr>
<td>Subcommission on Protection of Minorities and Prevention of Discrimination</td>
<td>Geneva</td>
<td>Nov. 24–</td>
</tr>
<tr>
<td>Transport and Communications Commission: Second Session</td>
<td>Lake Success</td>
<td>Dec. 8–</td>
</tr>
<tr>
<td>International Conference on Trade and Employment</td>
<td>Habana</td>
<td>Nov. 21–</td>
</tr>
<tr>
<td>ECAFE (Economic Commission for Asia and the Far East)</td>
<td>Baguio, Philippines</td>
<td>Nov. 24–</td>
</tr>
<tr>
<td>Trusteeship Council: Second Session</td>
<td>Lake Success</td>
<td>Nov. 24–</td>
</tr>
<tr>
<td>Permanent Central Opium Board</td>
<td>Geneva</td>
<td>Nov. 24–</td>
</tr>
<tr>
<td>International Maritime Conference</td>
<td>Geneva</td>
<td>November 3</td>
</tr>
<tr>
<td>International Conference on Livestock Production</td>
<td>Zurich</td>
<td>Oct. 8–9</td>
</tr>
<tr>
<td>International Tin Study Group: Meeting of Management Committee</td>
<td>Brussels</td>
<td>Oct. 9–10</td>
</tr>
<tr>
<td>Sixth Pan American Congress of Architects (Including Pan American Exhibits of Architecture and City Planning)</td>
<td>Lima</td>
<td>Oct. 15–25</td>
</tr>
<tr>
<td>First Pan American Consultation on History</td>
<td>Mexico City</td>
<td>Oct. 18–23</td>
</tr>
<tr>
<td>National Exhibition and Meeting of Cartography and Optics</td>
<td>Florence, Italy</td>
<td>Oct. 27–Nov. 9</td>
</tr>
<tr>
<td>ILO (International Labor Organization):</td>
<td>New Delhi</td>
<td>Oct. 27–Nov. 10</td>
</tr>
<tr>
<td>Preparatory Regional Asian Conference</td>
<td>Geneva</td>
<td>Dec. 8–</td>
</tr>
<tr>
<td>103d Session of Governing Body</td>
<td>Geneva</td>
<td>December</td>
</tr>
<tr>
<td>Joint Maritime Commission</td>
<td>Washington</td>
<td>Early October</td>
</tr>
<tr>
<td>Anglo-American Discussion on Financial Provisions of Bi-Zonal Economic Fusion Agreement.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IEFC (International Emergency Food Council): Fifth Meeting</td>
<td>Washington</td>
<td>October</td>
</tr>
<tr>
<td>Second Preliminary Meeting of Experts of Red Cross</td>
<td>Stockholm</td>
<td>October</td>
</tr>
<tr>
<td>17th Session of the International Wheat Council</td>
<td>Washington</td>
<td>Late October or November</td>
</tr>
<tr>
<td>Special Committee To Make Recommendations for the Coordination of Safety Activities in Fields of Aviation, Meteorology, Shipping, and Telecommunications.</td>
<td>London</td>
<td>October</td>
</tr>
<tr>
<td>NARBA (North American Regional Broadcasting Agreement): Meeting of Technicians.</td>
<td>Habana</td>
<td>Nov. 1–</td>
</tr>
<tr>
<td>UNESCO (United Nations Educational, Scientific and Cultural Organization):</td>
<td>Mexico City</td>
<td>Nov. 1–</td>
</tr>
<tr>
<td>Executive Board: Fourth Session</td>
<td>Mexico City</td>
<td>Nov. 6–Dec. 3</td>
</tr>
<tr>
<td>General Conference: Second Session</td>
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*Tentative.*

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Calendar of Meetings—Continued

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<tr>
<th>Event</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>ICAO (International Civil Aviation Organization): Special Conference on Multilateral Aviation Agreement.</td>
<td>Geneva</td>
<td>Nov. 3-14</td>
</tr>
<tr>
<td>Inter-American Conference and Committee on Social Security</td>
<td>Rio de Janeiro</td>
<td>Nov. 10-14</td>
</tr>
<tr>
<td>Council of Foreign Ministers:</td>
<td>London</td>
<td>November</td>
</tr>
<tr>
<td>Session of</td>
<td>London</td>
<td>November</td>
</tr>
<tr>
<td>Meeting of Deputies for Germany</td>
<td>Montevideo</td>
<td>November</td>
</tr>
<tr>
<td>Arts and Handicrafts Exhibition of American School Children</td>
<td>Trinidad</td>
<td>Dec. 1-6</td>
</tr>
<tr>
<td>Fifth Meeting of the Caribbean Commission</td>
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</tbody>
</table>

Activities and Developments

**U.S. DELEGATION TO SIXTH PAN AMERICAN CONGRESS OF ARCHITECTS**

[Released to the press September 25]
The Department of State announced on September 25 that the President has approved the composition of the United States Delegation to the Sixth Pan American Congress of Architects which is scheduled to be held at Lima, Peru, October 15-25, 1947. The Delegation is as follows:

**Chairman**
Julian Clarence Levi, Chairman of Committee on International Relations, American Institute of Architects, New York City

**Delegates**
Marshall A. Shaffer, Chief, Office of Technical Services, Division of Hospital Facilities, U.S. Public Health Service
Ralph Walker, American Institute of Architects, New York City
Samuel I. Cooper, American Institute of Architects, Atlanta, Ga.
Lewis P. Hobart, American Institute of Architects, San Francisco, Calif.

This Congress, which is one of a series begun in 1920, brings together qualified technical personnel to discuss problems and review progress in American architecture. Among the topics to be discussed at the Congress are: American architecture and its influence on present continental architecture; characteristics and functions of planned community units in the cities of the Americas; and new construction methods and materials. An exhibit of pan-American architecture and city planning will be held in conjunction with the Congress.

The Fifth Pan American Congress of Architects was held in Montevideo, Uruguay, in March 1940.

**U.S. DELEGATION TO AIRWORTHINESS COMMITTEE OF ICAO**

[Released to the press September 18]
The Department of State announced on September 18 the composition of the United States Delegation to the joint Airworthiness-Operations Special Committee meeting of the International Civil Aviation Organization (ICAO), which is scheduled to open at Paris on September 23, 1947. The chairman of the Delegation will be Robert D. Hoyt of the Civil Aeronautics Board and the vice-chairman, Raymond B. Maloy of the Civil Aeronautics Administration. Advisers are Robert W. Ayer, American Airlines, representing the Air Transport Association of America; John A. Carran, Civil Aeronautics Administration; Allan W. Dallas, Air Transport Association of America; Kendall G. Hathaway, Civil Aeronautics Board; W. E. Konecny, Civil Aeronautics Board; Joseph Matulaitis, Civil Aeronautics Administration; Philip A. Colman, Lockheed Aircraft Corporation; W. Bailey Oswald, Douglas Aircraft Corporation, representing the Aircraft Industries Association; and Howard B. Cox, representing the Air Line Pilots Association.

October 5, 1947
ACTIVITIES AND DEVELOPMENTS

It is expected that representatives from approximately 15 nations will attend the meeting. The ICAO Council at Montreal approved the convening of this Special Committee in order to clarify the issues raised by temperature accountability as they relate to aircraft performance in airline operations. The recommendations expected from this meeting will be presented to the Airworthiness and Operations Divisions of ICAO at their next meetings in Montreal for approval and promulgation as standards in International Air Route Operations.

International Meteorological Organization: Opening Session of Conference of Directors

ADDRESS BY ASSISTANT SECRETARY NORTON

If there is one subject that need not be impressed upon scientists whose realm is the atmosphere, it is the subject of international cooperation. The sphere of the meteorologist completely envelops the earth. It moves unhindered from country to country and from continent to continent without passport or permission when it crosses coast lines and international boundaries. Meteorologists know the importance of international cooperation, and I understand that you have been successful in working together for the common good in weather science for almost a century. The first World Congress in Meteorology was assembled in Europe in 1853, primarily for the purpose of dealing with the weather and climate of the oceans. As most of you in this room will know, the International Meteorological Organization was established in 1878. That is nearly seven decades ago. Seventy years of almost continuous cooperation and progress in a world organization is a record which you should, and undoubtedly do, find very gratifying. It is a record that other world organizations are earnestly striving to emulate.

In view of your long and successful history in international cooperation and the high aims of your organization, it is a genuine pleasure as well as a great honor to me, speaking for the Secretary of State and on behalf of the United States of America, to extend a most cordial welcome to you, the Directors of the official meteorological services of the world, and to your technical colleagues. You have our best wishes for and our confidence in the future success of your work. We are indeed happy that you are convening in Washington for this sexennial meeting of the Conference of Directors.

It is quite appropriate that you should have this meeting in Washington after all these years. It is fitting also that your opening meeting is in this building. Many of you will recall that the Western Hemisphere was colonized not only by men who sought fame and fortune on a new continent but also by those who were inspired with a deep desire for liberty and freedom of thought and worship and refuge from political oppression—men who stood for the most altruistic aims and wanted and sought peace and international goodwill. Although modern concepts of human liberty and democracy were born in the Old World and have long been nurtured there, the pioneering environment of the Western Hemisphere and its "new world" was particularly favorable for growth and development of the ideals of international cooperation. Here these ideals have been extended in practical use, and the building in which we are now assembled is one evidence of cooperation among nations in the Western Hemisphere. The International Bureau of American Republics, predecessor to the present Pan American Union, was established in 1890. It is the official

1 Delivered at the Pan American Union Building in Washington, on Sept. 22, 1947, and released to the press on the same date. Garrison Norton is Assistant Secretary of State for transport and communications.
organization of the 21 republics of this Hemisphere for the purpose of developing closer cooperation among these nations. It was reorganized in 1907 to form the Pan American Union of today.

A few moments ago I referred to the first World Congress on meteorological matters held in 1853. One of the advocates and organizers of that Congress was Matthew Fontaine Maury, a naval officer who contributed much to the study of winds over the oceans. Most of Maury's work was carried on in Washington, and it is therefore pleasing to us and an honor to Maury's memory that this first meeting of the Conference of Directors of the International Meteorological Organization outside of Europe is being held here in Washington where distinguished meteorologists from many different countries have often collaborated in the past.

Your success during the past century has been due, I am told, to a number of factors. Perhaps foremost is the world-wide nature of weather science, which gives the meteorologists a global outlook and an appreciation of international cooperation. You deal with one of the most complex of the physical sciences, and your success and future progress depend very much upon a complete knowledge of conditions throughout the atmosphere. You exchange weather reports daily and in some cases hourly. For many years you have had a universal language for this purpose in the form of an international weather-reporting code. Language differences and international boundaries present no barrier to your exchange of information. I am informed that your technical commissions, whose meetings have just been concluded in Toronto, have proposed further improvements for exchange of weather information between countries and for uniform practices in charting the weather and sending forecasts and warnings of storms which affect travel by sea and air and in one way or another exert an influence on many phases of agriculture, commerce, industry, and transportation. As your new standards for observing and measuring the weather are studied and adopted in your forthcoming meetings here, you will strengthen the foundation upon which to build an era of progress that will bring you the gratitude of men and women throughout the world who use your weather services.

A second reason for your success is the common bond of interest in things scientific and technical. You exchange views on technical matters because you are interested in the search for scientific truths. You have been fortunate in avoiding most of the time the more uncertain and selfish motives that complicate and hinder cooperation in some fields of international interest. I hope you can always keep foremost in mind the technical and scientific nature of your work so that your relationships may be as free as possible from the obstacles and problems of political science. The benefits of your growing knowledge of weather and climate have spread to almost every kind of human activity regardless of location and national allegiance. Developments in transportation by land, sea, and air have added greatly to your responsibilities. Aviation is the latest and most exacting in its demands on the meteorologist. During the last decade or two you have made enormous progress in the use of weather reports and forecasts in safety-in-air transportation. At the same time aviation has furnished the means of assisting you in your search for information of the upper atmosphere and has added new knowledge in your three-dimensional realm over regions heretofore unexplored. This in turn has enabled you to extend the benefits of meteorological science still further into new fields of application. I feel sure that the world today needs the services of the meteorologist more than any time in history. In some respects weather is one of the most important factors in international relationship today. Food is vital in our plans for world cooperation, and every increase in our knowledge of weather is reflected in our food production. The world needs your help in solving some of its problems, and your efforts surely will bring greater comfort and safety and will contribute to a higher standard of living for all peoples.

In our welcome to you we therefore have in mind a broader future than the science of meteorology alone. Certainly we are interested in your technical success and in the new constitution for the world meteorological organization which you will consider here. But we also believe that your achievements will contribute in some measure to the aims of permanent world peace and prosperity toward which the nations of the world are working. To our expressions of welcome we add our earnest wishes for outstanding success in the work of your Conference of Directors.

October 5, 1947
The Department of State has announced the composition of the United States Delegation to the Conference of Directors of the International Meteorological Organization (IMO), which is scheduled to be held at Washington from September 22 to October 7, 1947. The Delegation is as follows:

**Chairman**
Francis W. Reichelderfer, Chief, U.S. Weather Bureau

**Technical Advisers**
H. R. Byers, University of Chicago
John M. Cates, Division of International Organization Affairs, Department of State
G. Van A. Graves, Commander, U.S.C.G., Chief, Aerology and Oceanography Section, Office of Operations, U.S. Coast Guard
Delbert M. Little, Assistant Chief for Operations, U.S. Weather Bureau
Howard T. Orville, Capt., U.S.N., Aerology Section, Navy Department
Ivan B. Tannehill, Chief, Division of Synoptic Reports and Forecasts, U.S. Weather Bureau
D. N. Yates, Brig. Gen., Chief, Air Weather Service, Army Air Forces

The United States, host Government to the Conference, has extended invitations to those governments which have a meteorological service affiliated with the IMO. The last Conference of Directors was held at Warsaw in 1935, and an extraordinary meeting was held at London in February and March 1946.

The forthcoming Conference of Directors will study and, if approved, will put into effect the resolutions of the 10 Technical Commissions of the IMO which met at Toronto last month. Among the other items on the provisional agenda of the Conference are: discussion of a world meteorological convention, report of the president of the International Meteorological Committee, and the relation of the IMO to the United Nations.

The International Meteorological Organization, created in 1876, held its first official congress at Rome in 1879. A nonconventionary organization of the directors of recognized state meteorological services of the world, the IMO has for its purposes to assist in developing, improving, and standardizing meteorological services for agriculture, aviation, industry, transportation, and commerce; to aid in codes for exchange of current weather information; to assist in world-wide meteorological research; and to serve as a source of meteorological information. The authority of organization is vested in the Conference of Directors, composed of directors of national meteorological services.

**Employment and Economic Development**—Continued from page 670

an underdeveloped nation is in the nature of authorization to engage in restrictive measures which the member has agreed under the charter not to employ. There may be cases, however, in which the member involved is committed not to use such restrictive measures by agreement with another member, aside from its adherence to the charter. In such cases, if the Organization has agreed in principle to the institution of the measures proposed for economic development, its role will be to mediate any differences that may arise.

The effectiveness of the charter provisions concerning employment and economic development are less dependent upon the Organization machinery than is the case with the provisions of the charter respecting commercial practices, tariff negotiations, commodity agreements, and cartels. The effectiveness of these two chapters rests upon the undertakings of the members who have obligated themselves to the ends already described. If these ends can be realized, world trade and economic activity will not only operate at rising levels, but the stage will be set for easier operation of the remaining provisions of the charter.

**Corrigendum**

In the BULLETIN of September 21, 1947, the first paragraph, page 546, under the “Report to the General Assembly by the United Nations Special Committee on Palestine—Preface” should be transposed to page 543 as the last paragraph of the address by the Secretary of State entitled “Faith and Fidelity—American Pledge to the United Nations”.
THE RECORD OF THE WEEK

Meeting of the Committee of European Economic Cooperation

STATEMENT BY THE RAPPORTEUR GENERAL

In the name of the Committee of European Economic Cooperation, I have the honor to submit for your approval the general report which you have instructed us to prepare on the present European situation, covering the requirements of Europe and a program for its economic recovery. This report is in response to the suggestion of Mr. Marshall, Secretary of State of the United States, in his historic speech of June 5, 1947. It has been prepared by the sixteen European countries represented here, in the course of work, which has been carried on in Paris between July 12 and September 22, 1947.

The circumstances in which this report has been drawn up give it the character of an initial report. Supplementary reports, taking account in particular of the development of the international economic situation, will be published later.

The present work consists of two volumes. The first contains the general reports consisting of a preamble and seven chapters, together with a certain number of appendices including the report of the Balance of Payments committee.

In the second volume, there appear the reports of the technical committees: Food and Agriculture, Energy, Steel, Transport, Timber, the Committee of Financial Experts and the Committee on Labor.

The sixteen participating countries, which have an aggregate population of 270,000,000 persons and which before the war accounted for nearly half the world's trade, find themselves in a critical situation as a result of the destruction of the war, the paralysis of their commercial relations, and the exhaustion of their financial resources.

The United States, by the assistance which it has furnished us, has already saved our continent from chaos and disaster. Unfortunately, the extent of the problem has proved to be greater than had been foreseen. The disorganization produced by the war was much more far-reaching and the obstacles in the way of recovery more formidable than could have been realized even six months ago.

Since the Committee of Cooperation began its work the situation has continued to deteriorate due to persistent shortage of coal, continued price increases, and the exhaustion of reserves of gold and foreign exchange. Europe, which was making a rapid recovery from the devastations of the war, today sees the bases of its economy dangerously threatened. The repercussions of this situation are felt in all sectors of the world economy.

The report which we are submitting to you today proves that a remedy is possible for the illness, which, in greater or less degree, affects all European nations. This remedy must be found first of all in the individual and collective effort of the nations, but the full effect of that effort cannot be hoped for without exterior assistance. Such assistance in the present circumstances can come, for the most part, only from the United States of America.

In view of this grave situation, the sixteen participating nations have made certain undertakings of mutual cooperation taking account of similar undertakings made by the other participating countries. These undertakings fall principally into the three following classes: production, internal economic and monetary stabilization and European cooperation.

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THE RECORD OF THE WEEK

A. The governments of the sixteen countries are committed to make every effort to develop their national production, in order to attain the objectives specified in the report. In particular, they undertake to reach by 1951 the following production targets:

1. To restore to the pre-war level the production of cereals and milk, to increase substantially the production of sugar, of potatoes and of fats and to expand livestock products;
2. To increase the production of coal by 145,000,000 tons above the 1947 level;
3. To increase the production of electricity by 70 billion kilowatt hours above the 1947 level;
4. To develop refining capacity by 17,000,000 tons;
5. To increase steel production by 80 percent above 1947.

The sixteen nations consider that the linking together of their production efforts in this way should be an important contribution to the achievement of the programs they have set for themselves.

B. Nevertheless they recognize that the success of this program depends upon the reestablishment and maintenance of their financial and monetary stability.

The governments of the participating countries have undertaken to carry out, independently of any external assistance, the internal measures within their power in fiscal and currency matters as also in the field of production in order to restrict forthwith calls on the Banks of issue as well as other inflationary measures and to increase the production of consumer and capital goods. They fully recognize that for the program to be successful stabilization must be effected as rapidly as possible and that in this respect the year 1948 has a crucial importance. If, in the course of that year, the anticipated measures can be taken, a considerable volume of hoarded goods and gold will be brought back into normal circulation and will contribute to the improvement of the situation. But the effort which ought to be made in budgetary revision and in stabilizing the internal economy can be effectively carried out only with external assistance.

C. In addition to the immense task of carrying out the production and stabilization plans elaborated by the various countries, numerous forms of mutual assistance between the participating countries have been developed by the work of the committees: measures tending to free the movement of goods and services within Europe, to establish between these countries and with the rest of the world a sound multilateral trading system, in conformity with the principles of the draft charter for an international trade organization. The committee has also provided for the immediate study of plans for European customs unions, and the most efficient development through collective action of European resources, such as electrical energy, equipment, steel production, etc.

These are the different subjects involving the efforts of the individual nations and the efforts of European collective action which must precede or accompany any constructive plan for the recovery of Europe.

However, in order to carry out their production effort the participating countries recognize that they must receive a large and continuous flow of goods and services from the rest of the world and in particular from the American continent. An import program has been developed for these countries covering the period from 1948 to 1951. This program concerns at the same time food goods for current consumption, coal and raw materials, which are now in such short supply, and those items of equipment which are indispensable to permit Europe to reestablish its production, but it should be pointed out that the probable consumption level in 1951 will not exceed the pre-war level. It appears in fact from the report that on the best possible hypotheses, the foodstuffs existing in the world will not be sufficient to provide Europe its pre-war consumption.

These studies show as well that it is principally America that can provide these imports by reason of the exhaustion of the resources of Asia and eastern Europe.

This import program, essential for the production effort, raises most difficult financial questions.

The deficit in the balance of payments is a fundamental fact which reflects the necessity for Europe to supply itself from abroad without having adequate domestic production to support a sufficient level of exports. The report illustrates this fact by financial tables, showing the deficit in the balance of payments for the sixteen countries between
1948 and 1951. These tables show that the deficit with the American continent, while constantly diminishing, will aggregate during the four years approximately 22.4 billion dollars, reflecting, among other items, 3 billion dollars, representing the cost of industrial equipment capable of being financed by the International Bank or other sources of credit. The amount of 22.4 billions cannot be considered as indicating the amount of special assistance which will be necessary. A part of the deficit can in fact be covered by borrowing from the International Bank, private credits, and certain financial resources which the participating countries still have available. Yet it is clear that these resources can make only a small contribution. It should also be noted that most of the participating countries will have dollar payments to make in other parts of the world as well as in America.

These calculations take account of assumptions as to the diminution of certain temporary imports from America resulting from the reestablishment of more normal relations with the Asiatic continent and eastern Europe, the increase of European production, and modifications in general price conditions.

If these assumptions are realized, if the European efforts bring about their anticipated results, and if sufficient external assistance is available, there is every reason to believe that at the end of 1951 the sixteen European countries will be in position to go forward without further special external assistance.

Thus the report which we submit to you represents an experiment without precedent in European economic cooperation. The task, however, is not finished.

On one hand it will be necessary to present to the Government of the United States the completed report, and if necessary the Committee of Cooperation can, after mutual consultation, be reconvened by its president so as to furnish any necessary additional information.

On the other hand, if the external means necessary for carrying through the program are made available to us, it is intended to create a joint organization charged with the task of reviewing the progress made and collecting information from the different governments regarding their progress. This organization will be of a temporary character and will cease to exist when the special assistance necessary to the recovery of Europe has come to an end.

In the course of our work the representatives of the various participating countries have felt with regret the absence of the other European countries which did not find themselves able to participate in this task. They hope that some day a larger collaboration will be created among all of the European countries. They have indicated that to continue the work of cooperation undertaken in Paris they are prepared to proceed to an exchange of views with the other European nations whose resources could contribute to the solution of the problem they are facing. These conferences should so far as possible take place within the framework of the United Nations.

Gentlemen, our report gives, we believe, an objective summary of the European situation. It is now for the American people, through their Administration and their Congress, to examine our program and to consider whether the means of supplying our needs can be found so that Europe can be assured of a better economic future which is indispensable to the stability and prosperity of the world.

Committee of European Economic Cooperation

The Department of State released on September 26 Committee of European Economic Cooperation: Volume I—General Report (Publication 2930, European Series 28). This Report was signed on September 22, 1947, by representatives of Austria, Belgium, Denmark, Eire, France, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, and the United Kingdom, who have been engaged in the preparation of the report in Paris since July 12, 1947.

Volume I consists of a general statement of the problems of European economic recovery, the plans of the European countries concerned to meet these problems, and the assistance which these countries believe to be necessary from the United States and other non-European countries and agencies to restore their economic position.

Volume II, which will be released at a later date, will contain the reports of the technical subcommittees of the Conference.
SUMMARY OF THE GENERAL REPORT

1. The report is designed primarily as a close and careful analysis of the maladjustments which have resulted from the war and as an examination of what the participating countries can do for themselves and for each other to work towards a lasting solution.

2. The scale of the destruction and dislocation of the second World War was greater than that of the first. Agricultural and industrial production was severely reduced, traditional sources of food and raw material supply were cut off, so that when the war was over the devastated countries had to start again almost from the beginning. Thanks to the great efforts of the European countries themselves and to the generous assistance of the United States, other countries, and UNRRA, recovery proceeded fast. But it was not maintained in the winter of 1946–1947, and the European economy suffered a serious setback. Coal continued in short supply and the lack of it curtailed industrial production. Food and other commodities remained scarce and the prices of food and primary products rose. The foreign exchange resources of the participating countries had, therefore, to be drawn upon heavily. An exceptionally severe winter was followed by a long drought and intensified these difficulties, so that by the summer of 1947 the earlier hope of a quick recovery had receded.

3. As the work of the Committee of Cooperation was proceeding, the foreign exchange crisis continued to gather momentum. A number of countries had to impose further import restrictions, except for the purchase of cereals, coal and other essential supplies. Action on similar lines is likely to become necessary in the near future in most of the participating countries. The early recovery is now halted and the crisis is deepening. The circumstances in which the report has been drawn up give it the character of an initial report. To deal with any amendments which appear desirable it may be necessary to publish supplementary reports which take account of the development of the international economic situation.

4. The purpose of the report is to formulate an economic recovery program for the participating countries which is aimed at putting Europe on its feet by the end of 1951. This recovery program is based upon four lines of action:

1. A strong production effort by each of the participating countries.
2. The creation of internal financial stability.
3. The maximum cooperation between the participating countries.
4. A solution of the problem of the participating countries trading deficit with the American continent, particularly by exports.

5. The participating countries are normally dependent on a large volume of imports—raw materials, feeding-stuffs, and in certain cases food—from the rest of the world. Traditionally these were paid for partly by export of goods and services and partly by income from overseas investments. Because of the dislocation caused by the war, import needs are temporarily larger than normal, investment earnings have been reduced and exports have not yet been able to attain the level to redress the balance. The problem before participating countries and the basic aim of the recovery program is thus to revive and expand their production, so as to eliminate abnormal demand on the outside world and produce for export the increased volume of goods required to pay for the imports the participating countries will continue to need.

6. The report assumes a high degree of self-help by the countries concerned, and mutual help between them. In order to ascertain what could be achieved, technical committees were set up to make a special examination of agriculture, fuel and power, steel, timber and transport, together with the related industries, such as agricultural and mining machinery, and the general problem of manpower. The recovery program is designed to achieve the following total results by 1951:
1. Restoration of pre-war bread, grain, and other cereal production, with large increases above pre-war in sugar and potatoes, some increases in oils and fats, and as fast an expansion in livestock products as supplies of feeding-stuffs will allow.

2. Increase of coal output to 584 million tons, i.e., 145 million tons above the 1947 level (an increase of one-third) and 30 million tons above the 1938 level.

3. Expansion of electricity output by nearly 70 billion KWH or 40 percent above 1947 and a growth of generating capacity by 25 million KW or two-thirds above pre-war.

4. Development of oil refining capacity in terms of crude oil throughout by 17 million tons to two and one-half times the pre-war level.

5. Increase of crude steel production by 80 percent above 1947 to a level of 55 million tons or 10 million tons (20 percent) above 1938.

6. Expansion of inland transport facilities to carry a 25 percent greater load in 1951 than in 1938.

7. Restoration of pre-war merchant fleets of the participating countries by 1951.

8. Supply from European production of most of the capital equipment needed for these expansions.

The various countries have undertaken to use all their efforts to develop their national production in order to achieve these targets. Of particular importance are the French and Italian grain production programs which aim at recovering pre-war levels by 1951 and the United Kingdom coal production program which is designed to exceed the pre-war level by 1951. These production programs taken as a whole represent an expansion of output similar in general scale to that achieved by the United States in the mobilization years 1940–44. This production effort provides the foundation for a sound and workable European economy.

7. The creation of internal financial stability in certain countries is a necessary condition for the accomplishment of their production programs and undertakings have been given by the countries concerned to apply all necessary measures to lead to the rapid achievement of this stability. The quick success of stabilization will, to a very large extent, depend on adequate foreign assistance being available during the period when stabilization is being achieved. No precise calculation can be made of each of the countries concerned at the time when stabilization is undertaken. But from such estimates as can be made the amount likely to be required would be of the order of $3,000 million.

8. The maximum use will be made by the participating countries of their own raw material resources, manpower, and productive capacity. This process will be stimulated by measures to be taken to secure progressive relaxation of import restrictions to improve payments arrangements between the various countries and to transfer surplus labor. An announcement has already been made about the setting up of a customs union study group which will make a first report within three months of its being convened. The French Government has stated that it is ready to commence negotiations with all European governments who wish to enter a customs union with France and whose national economies are capable of being combined with the French economy in such a way as to make a viable unit. The Italian Government has associated itself with this declaration.

9. Apart from mutual help designed to increase supplies of scarce commodities and to increase the flow of trade between the participating countries, agreement has been achieved on collective action on special problems as follows:

1. A series of projects is being developed for common planning of the exploitation of new sources of electric power. The plan selected by the committee provides for erection of a series of power plants to exploit the hydroelectric resources of the Alps, certain German lignite deposits, and Italian reserves of geothermal energy. This work involves the cooperative development of resources cutting across frontiers, and the decisions are being taken without regard to national frontiers. The common planning required is now proceeding.

2. Encouragement of the standardization of mining and electrical supplies and freight cars.

3. Examination of the possibility of securing the more efficient use of freight cars by pooling arrangements and by international study of the flows of traffic.

4. Arrangements for the interchange of information by the steel producing countries about their programs of modernization and extension so that each country may take account of plans made by the others.
10. Arrangements have been made for continuing the work of mutual help and consultation begun in Paris both through the United Nations machinery and in other ways. A joint organization charged with the task of reviewing progress made in the execution of the program is also contemplated.

11. The report shows that even after taking full account of the supplies which they can produce for themselves, and which they can hope to obtain from the rest of the world, the participating countries will require large quantities of food, fuel, raw materials and capital equipment from the American continent. Without this flow of goods the whole recovery program will be in jeopardy. The requirements stated take account of the supplies likely to be available. They do not represent extravagant importing. Food consumption at the end of the period will be less than the pre-war level and the estimates are framed on the basis that gasoline rationing and in many countries restrictions on consumption of food, clothing, and gasoline (for non-essential purposes) will continue to be necessary.

12. The scale of the problem is shown by the combined deficit of the participating countries and western Germany with the American continent, which is given in the following tables. The size of the deficit is to a large extent attributable to lack of supplies formerly available from eastern Europe, southeast Asia, and other non-European sources. It may be possible to meet part of the deficit through the International Bank for Development and Reconstruction, private investment, and credit operations, and for a few countries by the use of their available assets.

<table>
<thead>
<tr>
<th>($000 million)</th>
<th>1948</th>
<th>1949</th>
<th>1950</th>
<th>1951</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deficit as shown in above table</td>
<td>8.04</td>
<td>6.35</td>
<td>4.65</td>
<td>3.40</td>
<td>22.44</td>
</tr>
<tr>
<td>Less equipment assumed to be financed by International Bank, etc.</td>
<td>.92</td>
<td>.89</td>
<td>.70</td>
<td>.60</td>
<td>3.11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7.12</td>
<td>5.46</td>
<td>3.95</td>
<td>2.80</td>
<td>19.33</td>
</tr>
</tbody>
</table>

* Surplus.

13. The need for an intense effort to expand exports from the participating countries to the rest of the world is recognized throughout the report as essential to help reduce the deficit over the four-year period. Given favorable world conditions, it is estimated that the participating countries and western Germany at the end of the period will have a substantial surplus in their trading account with non-participating countries other than those of the American Continent. For the year 1951 this is tentatively estimated as $1,800 million and for the four-year period at $2,810 million. Only if there is a sufficient flow of dollars to the rest of the world to enable the participating countries to earn dollars, or their equivalent, for this surplus, will it be possible to offset this surplus against the dollar deficit with the American Continent.

14. The report emphasizes that while the first element of the recovery programme must be to increase European production, it will be impossible to right the problem unless market conditions in the American Continent allow both Europe and other parts of the world to sell goods there in increasing quantities. The maladjustment between the productive power and resources of the American Continent and the participating countries is due to many causes and cannot be righted by European action alone. The purpose of the report is...
to submit proposals for the necessary restorative action on the European side by production, stabilization and cooperation between the participating countries, but this cannot complete the task. The report concludes with the following phrases:

"The problem which the Committee of Co-operation has been working to solve in Paris is the aftermath of the war. The Committee now submits its proposal for the necessary restorative action on the European side by production, stabilization and co-operation between the participating countries, as well as by measures to stimulate the free flow of goods and services. These proposals are reinforced by definite and specific undertakings by each of the countries concerned. But these undertakings can be successfully carried out only with the assurance of a continued flow of goods from the American Continent; if that flow should cease the result would be calamitous. Europe's dollar resources are running low. One country after another is already being forced by lack of dollars to cut down vital imports of food and raw materials from the American continent. If nothing is done a catastrophe will develop as stocks become exhausted. If too little is done, and if it is done too late, it will be impossible to provide the momentum needed to get the programme under way. Life in Europe will become increasingly unstable and uncertain; industries will grind to a gradual halt for lack of materials and fuel, and the food supply of Europe will diminish and begin to disappear.

"In these circumstances the participating na-

tions have welcomed the opportunity to prepare and present to the United States a statement of their plans and requirements. Through meetings between representatives of the United States and of the participating nations, the details of that statement can be filled in and the means of recovery more precisely defined.

"In the last analysis the external means of recovery can in largest measure only come from the United States, which has by its assistance in the last two years already rescued Europe from collapse and chaos. Unfortunately the size of the problem has proved greater than was expected; the disruption caused by the war was more far-reaching and the obstacles to recovery more formidable than was realised even six months ago. This report contains, it is believed, a realistic appreciation of the situation. In it the participating countries have set out the facts as they see them and on the basis of those facts have formulated a recovery programme. Their programme is based upon the fullest use of their existing productive capacity. In drawing it up they have sought to reduce their needs from the American continent to the minimum consistent with its achievement. The American people, through their Government and their Congress, will consider this programme to determine whether the means can be found of supplying those needs. On their decision will depend whether Europe can achieve economic stability and thereby be enabled to make her full contribution to the welfare of the world."

**STATEMENT BY ACTING SECRETARY LOVETT**

*Released to the press September 24*

The report of the Committee of European Economic Cooperation is being transmitted by Secretary Marshall to the President. The President will comment on the report in the near future, so I do not wish to comment on the report itself at this time.

However, the appropriate facilities of the Government are fully mobilized to analyze the report. The same facilities have, in general, been used for some time past on such preliminary information as we have had from Paris.

October 5, 1947

A steering committee, chairmanned by a representative of the State Department and including representatives of the President and of the Secretaries of Treasury, Commerce, Interior, Army, and Navy, and other interested agencies, is advising me as to the assignment of various segments of the task and is performing over-all coordination. It will also assist in putting together the over-all picture as the technical analyses progress.

The National Advisory Council, of which the Secretary of the Treasury is the Chairman, is
THE RECORD OF THE WEEK

analyzing those portions of the report which are primarily financial or fiscal in character. The Executive Committee on Economic Foreign Policy, of which the Secretary of State is Chairman, is considering the broad economic-policy questions raised by the report. The section of the report dealing with food is being referred to the subcommittee of the President's Cabinet Committee on World Food Problems, of which the Secretary of Agriculture is Chairman. Those sections of the report dealing with requirements other than food have been assigned to working groups chair-manned in many cases by officials of the Department of Commerce, which is responsible under existing legislation for the control of exports from the United States. The work of these various groups will be closely coordinated with the work of the Harriman, Krug, and Nourse committees, and the results of the work, as it proceeds, will be available to the interested committees of the Congress to the extent those committees desire.

We have kept the Harriman, Krug, and Nourse committees supplied with certain advance information we have received from Paris and hope to avail ourselves of this specialized and broad knowledge as the analysis goes on. Particularly, we hope to keep closely in touch with Mr. Harriman's committee and the specialist groups formed within that committee.

We are inviting some of the participants of the Paris Conference to come over to this country early in October to give us further information on the make-up of their report. We understand that the Conference is glad to make these people available, and we hope they will aid us in speeding our analysis to its conclusion.

As to steps after the analysis, you will be informed in due course.

STATEMENT BY THE PRESIDENT

[Released to the press by the White House September 25]

The Secretary of State has transmitted to me the official report of the Committee of European Economic Cooperation, prepared by the representatives of 16 nations who have been meeting in Paris since early July. At my request Secretary Marshall is sending a message to the chairman of the Committee, Foreign Minister Bevin, acknowledging receipt of the report by the United States Government.

As the document itself states, it is an "initial report" and is subject to review and revision. Nevertheless, it reflects an unprecedented effort at economic cooperation by the 16 countries participating in the Paris Conference. In the light of the political tensions and the economic instability in Europe, it is an important and encouraging first step that these nations had the initiative and determination to meet together and produce this report.

The problem to which this report is addressed not only underlies the political and economic well-being of Europe but is also of key importance to a stable peace in the world. The people of the United States recognize, as do the people of the European nations, that the earliest practicable achievement of economic health, and consequent political stability, in Europe is of utmost importance for the peace and well-being of the world.

I note that the program presented in the report is based on the following four lines of action by the 16 European nations: (1) a strong productive effort; (2) the creation of internal financial stability; (3) maximum cooperation among the participating countries; and (4) a solution to the trading deficit with the American Continent, particularly by exports. These are sound principles and will appeal to the common sense of the American people. Their effective translation into practice is vital both to European recovery and to world-wide economic health.

While the 16-nation Committee has been meeting in Paris, the United States Government has been proceeding with complementary studies on this side of the Atlantic.

Last June I appointed three committees to study the relationship between aid which may be extended to foreign countries and the interests of our domestic economy. One of these, headed by the Secretary of the Interior, has been making a study of the state of our natural resources. Another of
these studies, relating to the impact on our national economy of aid to other countries, is being conducted by the Council of Economic Advisers. The third group, a nonpartisan committee of distinguished citizens under the chairmanship of the Secretary of Commerce, was requested to determine the character and quantities of United States resources available for assistance to foreign countries and to advise the President on the limits within which the United States may safely and wisely plan to extend such assistance.

Other agencies of the Executive Branch of the Government have also been considering the role which should be played by the United States in European recovery.

The great interest of the Congress in this subject has been demonstrated by the number of its members whom it has sent abroad to study prevailing conditions at first hand.

We shall need to consult with representatives of the European Committee to obtain clarification and amplification of the initial report and to obtain further information, as it becomes available, as to the specific measures to be adopted by the participating countries in carrying out the principles set forth in the report.

I am requesting the special committees which I appointed and other Government agencies to appraise the information received from the European Committee in the light of the studies they have conducted. The results of this appraisal will be made available to the appropriate congressional committees.

On the basis of these studies, which will go forward without delay, the facts will be presented and recommendations will be formulated so that the American people through their representatives in Congress can determine to what extent and in what manner the resources of the United States may be brought to the support of the renewed European efforts to achieve sustained economic recovery. When the American people are satisfied as to the scope of the necessary program and the sufficiency of measures of self-help and mutual help being taken by the European countries and when we can determine what resources we should and can wisely make available, I am sure that we shall respond as quickly as possible.

Meanwhile, certain problems have arisen in connection with the economic situation in Europe that are of such an urgent nature that their solution cannot await the careful study required for the over-all decisions which will be based on the reports. These problems are of an emergency nature which demand immediate attention.

It is for this reason that I have requested a group of congressional leaders to meet with me on Monday, September 29th, to discuss plans for determining the action to be taken by the United States to aid in preserving the stability and promoting the recovery of the nations which participated in the Paris Conference.

LETTERS OF ACKNOWLEDGMENT

[Released to the press September 26]

Text of letter from the Secretary of State to Chair- man of Committee of European Economic Co- operation Ernest Bevin, dated September 25, 1947

DEAR MR. BEVIN: I wish to acknowledge receipt of your letter of September 22, 1947 enclosing a document signed by all the Delegates of the Paris Conference and their Initial Report. I have transmitted these papers to the President.

I shall be grateful if you will forward to the Delegates my enclosed message addressed to the Committee.

Faithfully yours,

GEORGE C. MARSHALL

Text of a letter from the Secretary of State to the Committee of European Economic Cooperation, dated September 25, 1947

DEAR SIRS: I have received your letter of September 22 and your Initial Report, which I have transmitted to President Truman.

October 5, 1947
THE RECORD OF THE WEEK

I wish to convey to the representatives participating in the Paris Conference a recognition of the intensive work which has been involved in consideration of so complex a problem in so short a time.

The fact that sixteen nations have worked in such close cooperation to produce the report is an important accomplishment.

As stated by the President today, the report will be studied by the United States governmental agencies, the Members of Congress, and the special committees of American citizens who have been called together to review the availability of American resources in relation to foreign needs.

We expect to consult with representatives of the European Conference to obtain any necessary further information, and will consider any supplementary reports which the Committee may find it desirable to publish.

Faithfully yours,

GEORGE C. MARSHALL

The Cabinet Committee on World Food Programs

STATEMENT BY THE PRESIDENT

[Released to the press by the White House September 25]

I am making public today a report from the Cabinet Committee on World Food Programs which emphasizes a critical situation calling for immediate action by every American. The report stresses the extremely grave food situation abroad and the relationship between our ability to help meet urgent foreign food needs and the price situation in the United States.

The Committee states that adverse crop developments, including those of recent weeks, both in North America and in Europe, make apparent a food shortage even worse than a year ago. The losses from heavy frosts in northwestern Europe last winter have been increased by a general European drought this spring and summer. Any significant cut in the already low rations in those countries will have most serious consequences for their rehabilitation.

In the face of this situation, the report shows that, without further action, we would be able to carry through a large export program; but, as a result of sharply reduced corn production and continued high domestic demand for grain, exports would not equal last year's total shipments—even though world needs are greater.

The United States cannot rest on this export prospect. To ship more abroad without adjustments in domestic demand, however, would aggravate our own price situation.

In presenting their report the Cabinet Committee stressed the urgency of doing everything poss-

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Department of State Bulletin
whose production requires large quantities of grain. Such action on our part will do two things. We will save on our family budget and we will help others who are in desperate need. I am confident that the American people, realizing the extreme seriousness of the situation, will cooperate fully.

The 1947–1948 Grain-Export Program

LETTER TO THE PRESIDENT FROM THE SECRETARY OF COMMERCE

[Released to the press by the White House September 27] September 24, 1947.

DEAR MR. PRESIDENT: I submit herewith a special interim report on grain export policy which has been prepared for your use and information by your Committee on Foreign Aid.

As you know, the Committee will not arrive at final recommendations on any of the problems which you have asked it to study until there has been an opportunity to evaluate the report of the Paris Conference, and to compare the import requirements of participating countries with the volume of United States resources which may be available for export. However, in view of the urgency of the food crisis in Europe, and the necessity for immediate decisions with respect to grain procurement by the United States Government, the Committee, at my suggestion, has considered these issues and expressed its judgment upon them at this time.

Respectfully,

W. A. Harriman

The President made the following statement on June 22 upon creating three committees to study the relationship between foreign aid programs and the domestic economy:

The impact upon our domestic economy of the assistance we are now furnishing or may furnish to foreign countries is a matter of grave concern to every American. I believe we are generally agreed that the recovery of production abroad is essential both to a vigorous democracy and to a peace founded on democracy and freedom. It is essential also to a world trade in which our businessmen, farmers and workers may benefit from substantial exports and in which their customers may be able to pay for these goods. On the other hand, the extent to which we should continue aiding such recovery is less easy to ascertain, and merits most careful study.

Much attention has already been given to these questions by various agencies of the Government, as well as by a number of well-informed and public-spirited citizens. The results of current study and discussion have not, however, been brought together and objectively evaluated in a form suitable for guidance in the formulation of national policy.

Accordingly, I am creating immediately three committees to study and report to me within the shortest possible time on the relationship between any further aid which may be extended to foreign countries and the interests of our domestic economy. Two of these studies will be conducted within the Government; the third will be conducted by a non-partisan committee of distinguished citizens headed by the Secretary of Commerce.

Of the two studies to be conducted within the Government, one will deal with the State of our national resources, and will be made by a committee of specialists under the direction of the Secretary of the Interior. The other governmental study will deal with the impact on our national economy of aid to other countries, and will be conducted by the Council of Economic Advisers.

The non-partisan committee will be requested to determine the facts with respect to the character and quantities of United States resources available for economic assistance to foreign countries, and to advise me, in the light of these facts, on the limits within which the United States may safely and wisely plan to extend such assistance and on the relation between this assistance and our domestic economy. This committee will be drawn from representatives of American business, finance, labor, agriculture and educational and research institutions. In carrying out its work this committee will have the benefit of the studies which are to be made within the Government, as well as the materials already prepared by various Government agencies.
1. The Urgency of the Problem

World requirements for grain during the current 1947–48 season cannot be met without the export from the United States of a larger tonnage than was exported in the 1946–47 crop year. Yet in the face of the expanded requirements it would be extremely difficult for the U.S. even to maintain last season’s rate of export because of the reduced size of this year’s corn crop. No more corn will be available for export during the present crop year. How much wheat we can acquire and export depends primarily on how much is fed to livestock, poultry, dairy, hogs, and beef. Poultrymen, dairymen, and meat animal feeders are currently making their decisions on whether to trim down the numbers in their herds and flocks or to acquire feed to carry them through the year. As the weeks pass, more and more of our wheat supply is being acquired for eventual consumption by livestock, thus increasing the difficulty of meeting export needs.

If the Department of Agriculture merely covers its needs from month to month, a situation will probably develop early next year in which it will be physically impossible to meet even reduced export commitments. It is, therefore, essential that a firm export program be formulated in the immediate future and that procurement plans be made which will assure our ability to meet whatever export commitments are undertaken. This Interim Report of the President’s Committee on Foreign Aid is submitted to convey the Committee’s judgment on certain of the issues involved, to draw attention to the basic questions that need to be answered, and to urge the importance of reaching decisions upon them now.

2. West European Requirements

The basic facts about European requirements for imported grain are these: First, Western Europe is regularly a deficit area heavily dependent upon imports of grain for human consumption and for animal feeding. Before the war, grain imports averaged over 22,000,000 tons a year, about half bread grains and half coarse grains. Second, the recovery in agricultural production since the war has been uneven and incomplete. In the ex-neutral countries and in Norway, the Netherlands, and the United Kingdom food and feed grain crops in 1946 were above prewar. But in the other Central and Western European ex-belligerent countries (which are much more important grain producers) 1946 grain crops were only about 80 per cent of prewar. Third, adverse weather conditions in 1947 reduced Western European grain crops some 5 million tons below those of 1946. Consequently, to maintain the same level of diet (in terms of calories per person per day) as in the season just ended, imports of grain into Western Europe would have to be five million tons larger. The grain production and imports of the Western European countries are summarized in the following figures. The 1947–48 import requirements stated in this table are the amounts necessary to maintain the total grain availability in 1947–48 at the same level as 1946–47. (The countries included are the Paris Conference countries other than Iceland, Turkey, and Portugal and with the addition of the three Western zones of Germany.)

<table>
<thead>
<tr>
<th>Grain Production and Imports of Selected European Countries</th>
<th>1933-37</th>
<th>1946-47</th>
<th>1947-48</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bread grains</td>
<td>28.8</td>
<td>25.0</td>
<td>19.9</td>
</tr>
<tr>
<td>Coarse grains</td>
<td>22.4</td>
<td>21.1</td>
<td>21.2</td>
</tr>
<tr>
<td>Total</td>
<td>51.2</td>
<td>46.1</td>
<td>41.1</td>
</tr>
<tr>
<td>Imports</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bread grains</td>
<td>10.3</td>
<td>12.4</td>
<td>17.4</td>
</tr>
<tr>
<td>Coarse grains</td>
<td>8.9</td>
<td>4.3</td>
<td>4.4</td>
</tr>
<tr>
<td>Total</td>
<td>19.2</td>
<td>16.7</td>
<td>21.8</td>
</tr>
</tbody>
</table>

The urgency of European requirements is indi-
The above figures are not limited to nourishment received in the form of bread grain but include the calory value of all elements in the diet. One feature of the European food shortage stands out clearly. The main problem is to supply the non-farm population, especially in the large urban centers. Thus, any measure of the average diet of the whole of Western Europe is of little significance. The urgency of the need is determined by the situation of certain groups in the populations of the five countries listed separately above, in which the discrepancy between present and pre-war diets is the greatest.

3. The World Position

To the extent of nearly two million tons the increase in Western European requirements is expected to be offset by an increase in the supplies available this crop year from major exporting areas other than the United States. Exports from Canada are expected to be smaller this season than last but shipments from Argentina, Australia, and other exporting countries should be larger. The world supply-demand situation is as follows (in millions of tons):

<table>
<thead>
<tr>
<th>Exporting Areas</th>
<th>1946-47</th>
<th>Estimated 1947-48</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>14.7</td>
<td>15.0</td>
</tr>
<tr>
<td>Other areas</td>
<td>13.4</td>
<td>15.4</td>
</tr>
<tr>
<td>Total</td>
<td>28.1</td>
<td>30.4</td>
</tr>
</tbody>
</table>

These figures indicate a world deficit of approximately 3 million tons of grain even on the assumptions that European imports are limited to the amount necessary to maintain the grain supplies of last year, that requirements from other areas are no greater than they were last year, and that U.S. can make 15 million tons of grain available for export—a possibility discussed below.

It is possible that the gap can be reduced through some reduction in the imports of areas other than Western Europe and some further increase in shipments from exporting areas other than the United States.

No careful examination has yet been made of the requirements of the non-European importing areas. The preliminary view of the International Emergency Food Committee staff is that requirements will be at least as large as last year. However, examination now in progress may reveal possibilities of diversion to Western Europe.

The major area from which there would appear to be some possibility of increasing exports is Argentina. It is estimated that stocks of all grains were some 4,000,000 tons larger on July 1, 1947 than on the same date a year ago and are now extremely heavy. The limiting factor on shipments is not physical availability of grain but rather price problems and the ability to move it to seaboard. It is believed to lie within the power of the Argentine Government, given sufficiently powerful inducements, to secure the export of a larger tonnage than that allowed for in the above totals.

4. Supplies in the United States

From the 1946 crop some 10,600,000 tons of wheat (approximately 396 million bushels) were exported as grain and flour, and 4,100,000 tons of corn and other grains (approximately 175 million bushels). Our 1947 wheat crop was substantially larger than last year’s, but the increase was more than offset in tonnage by the drop in the size of this year’s corn crop compared with last year’s.
Indeed, the decline in the size of this year’s total United States grain crop (wheat, corn, oats, rye, barley) below last year’s is expected to be about as great as the total of all grain exported from the United States in the crop year ended June 30, 1947.

Nevertheless, the supply of grain is adequate to permit exports equal or nearly equal to last year’s, provided excessively heavy feeding of wheat to livestock can be prevented. Exports of corn and coarse grains are expected to run to 70 million bushels this season. More than half, including all of the corn, has already been shipped. The critical decisions concern the procurement of wheat for export. The balance sheet for this year stands about as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated production</td>
<td>1,409,000,000</td>
</tr>
<tr>
<td>Carry-over from 1946</td>
<td>83,000,000</td>
</tr>
<tr>
<td>Total supply</td>
<td>1,492,000,000</td>
</tr>
<tr>
<td>Required for seed and domestic consumption and industrial use</td>
<td>-605,000,000</td>
</tr>
<tr>
<td>Balance—feeding, exports, and carry-over</td>
<td>887,000,000</td>
</tr>
</tbody>
</table>

The carry-over from this year’s crop cannot safely go below 100,000,000 bushels, and it will be unwise to go that low unless the winter wheat crop prospects are good next spring. Deducting 100,000,000 bushels leaves a maximum of 787,000,000 bushels for livestock feeding and for export.

Even a substantial export program would not compel a disastrous liquidation of livestock. The shipment abroad of 500,000,000 bushels of wheat (approximately 13,500,000 tons) would leave over 250,000,000 bushels to be fed. Although, on this basis, the total amount of grain and feed concentrates available for feed would be smaller than in the last few years, there would be only about eight per cent less feed per unit of the animal population than last year. The condition of pastures and of ranges is excellent this year and the supply of hay per unit of the animal population will be larger than in any previous season. The following statistical comparison between the current and the preceding season summarizes these conclusions in quantitative form. The figures for 1947–48 are based on the assumption that 250,000,000 bushels of wheat will be fed. [Table below.]

Clearly, the export of 500,000,000 bushels of wheat would impose no grave hardship on the American people as a whole, if its effects be measured in physical terms. At most it would cause some reduction in the supply of meat, poultry, and dairy products available for domestic consumption next year. At the present time our consumption of meat per capita is some eight per cent higher than in 1941, and over 20 per cent higher than the average for 1935–39. The per capita consumption of poultry products has risen even more. That of dairy products is slightly higher than in 1941. In the producing areas the reduction in supply would not be significant; however, there would be a concentration of feed shortage in the deficit areas where the feed availability per animal unit would fall well below the national average. If the problem could be considered entirely in physical terms and if it could be assumed that there would be a wide and equitable distribution of the real sacrifice involved, the Committee would have no hesitation in recommending that we take steps to export at least 500,000,000 bushels of wheat in the current season. This quantity of wheat, together with 70,000,000 bushels of coarse grains, would mean total exports of 570,000,000 bushels (approximately 15,000,000 tons), almost exactly the same as last year.

5. The Economic Problem

The difficult problem is not that of evaluating the relative urgency of European and domestic
The record of the week

needs but rather of devising ways and means of securing at least 500,000,000 bushels of wheat for export without gravely serious secondary economic effects. Whether livestock in this country or human beings in deficit areas abroad, get the major portion of our surplus of wheat (over and above the amount needed for seed, domestic human consumption, industrial use, and a safe carry-over), depends on prices, the behavior of American consumers, and the action taken by the United States Government during the next few weeks. If the European need is to be met, it is essential (1) to lessen the disappearance of wheat for livestock feed, (2) to acquire it for export (or subsequent resale in this country if serious need develops or the winter wheat crop fails) before the supply passes into hands from which it will not easily be drawn. If prices of eggs and poultry, dairy products and meat continue high, and if demand for these products continues strong, and if the price of corn remains high compared with that of wheat, the amount of wheat fed to livestock may exceed 400,000,000 bushels. In the cash markets wheat has been selling only slightly above corn. Outside the corn belt, wheat has often been a more economical buy than corn for feeders and feed mixers.

If the Department of Agriculture adopted a policy of aggressive buying in order to get the minimum quantity of wheat necessary to export as a matter of national policy, the price of wheat would probably rise sharply. The inflationary effects of such a development upon the whole economy need no elaboration. Moreover, the dilemma cannot be resolved for this winter by the repositioning of direct controls of any kind. Under existing law, the Government lacks specific authority to ration consumption, fix ceiling prices, or to prevent the diversion of wheat into non-food uses. The Committee has not attempted to decide whether such direct controls would be effective. Immediate consideration should be given to the various types of controls which might be enacted by the Congress. However, action in the present situation cannot wait for consideration of possible legislation and the creation of new administrative machinery.

Through September 6, about 200,000,000 bushels of wheat had been acquired or committed for export by the Department of Agriculture and by private concerns. This included approximately 50,000,000 bushels on hand on June 30. Almost half of this 200,000,000 bushels will be required for occupied areas in Germany, Japan, and Korea. The Department has acquired very little wheat during recent weeks in which prices were advancing sharply. Unless radical and unexpected changes occur, it may not be able to acquire, with present buying practices, the bare minimum quantity of wheat necessary for export this year.

A policy decision needs to be made as to which horn of the dilemma to seize; whether it is better policy to make sure of getting the wheat at the risk of pushing wheat prices higher through more aggressive buying, or to buy wheat cautiously, on market breaks, at the risk of obtaining for export considerably less than will be needed to meet minimum requirements in overseas areas of special importance to the United States.

6. Recommendations

In either event, but especially if the decision is to go out aggressively to get the wheat, certain steps may be taken to alleviate the upward pressure in the grain market, to lessen the amount of wheat feeding, and to secure the best possible distribution and use of existing grain supplies throughout the world in the light of our national interest. The following are the major lines of action which the Committee believes should be followed.

(1) The most effective weapon that can be brought into play immediately to reduce pressure on the grain markets is a drive to cut the demand for meat, butter, poultry, and eggs by voluntary self-rationing on the part of consumers. Such an effort must be led by the President; it must be carefully planned, intensively organized, and based on obtaining the organized cooperation of food producers, processors, distributors and, above all, consumers. It can and should be based on both consumer resistance to high prices and the desire to make some modest sacrifice to prevent starvation abroad. If successful, this movement would certainly discourage excessive feeding of high-priced wheat and other feeds. It would tend to reduce inflationary pressure and make possible a more equitable distribution of our food supplies among American consumers.

(2) The Executive Departments should keep pressure on the commodity exchanges to set the highest margin requirements for non-hedging fu-
turers trading in grain that are obtainable without destroying the effectiveness of the exchanges for necessary hedging operations. The commodity exchanges do not make prices rise but there is evidence of a growing speculative interest in commodities that should be discouraged in every way possible.

(3) The State Department and other Departments concerned should use every means at the disposal of our Government to bring about changes in Argentine policy so as to secure the export of maximum quantities of grain and its distribution to the right countries on reasonable terms. Looking beyond the present season it is highly important that the Argentine Government encourage instead of discourage the planting of a large acreage for the next crop.

(4) Exports to countries other than Western Europe, and the occupied areas in the Orient, for which minimum requirements have been carefully calculated should be restricted to amounts demonstrably required to meet essential needs. In 1946-47 our exports to Eastern Europe totaled about 1.5 million tons, to Latin America 2.3 million tons, and to miscellaneous African and Asiatic countries another 1.5 million tons. In the light of this year’s more acute world grain shortage, such exports should not be continued at this level except on the basis of demonstrated need. In screening the grain requirements of the importing areas, and in determining the relative priorities of the needs, it may be desirable to take into account the proportion of their total grain supplies which is available directly for human consumption and the proportion which is being fed to livestock and poultry.

(5) Although it is not relevant to the urgent problems of this winter, the Committee believes that immediate attention should be given to the desirability of increasing exports of nitrate fertilizers from the United States to Western Europe. With present rates of consumption, the shift of a moderate tonnage of nitrogen from use in the United States to use in Europe would make possible a large net addition to world food supplies. Such action would have to be taken within the next few months if additional fertilizer were to be available for application in the spring of 1948.

MEMBERSHIP OF COMMITTEE ON FOREIGN AID

The Committee on Foreign Aid, which was appointed by the President on June 22, 1947 to determine the facts as to United States Resources available for economic assistance to foreign countries, and to advise him concerning this assistance, consists of the following:

Robert Earle Buchanan, Dean, Graduate College, Iowa State College, Ames, Iowa
W. Randolph Burgess, Vice-Chairman, National City Bank of N.Y., New York City
James B. Carey, Secretary-Treasurer, CIO, Washington, D.C.
John L. Collyer, President, B. F. Goodrich Co., Akron, Ohio
Granville Conway, President, The Cosmopolitan Shipping Co., Inc., 42d and Broadway, New York City
Melville F. Coolbaugh, 1700 Maple St., Golden, Colo.
Chester C. Davis, President, Federal Reserve Bank, St. Louis, Mo.

R. R. Deupree, President, Proctor & Gamble Co., Cincinnati, Ohio
W. Averell Harriman, Chairman, Department of Commerce, Washington, D.C.
Paul G. Hoffman, President, The Studebaker Corp., South Bend, Ind.
Calvin B. Hoover, Dean, Graduate School, Duke University, Durham, N.C.
Robert Koenig, President, Ayrshire Collieries Co., Big Four Building, Indianapolis, Ind.
Robert M. La Follette, Jr., Barr Building, Washington, D.C.
Edward S. Mason, Dean, School of Public Administration, Harvard University, Cambridge, Mass.
George Meany, Secretary-Treasurer, American Federation of Labor, Washington, D.C.
Harold G. Moulton, President, The Brookings Institution, Jackson Place, Washington, D.C.
William I. Myers, Dean, College of Agriculture, Cornell University, Ithaca, N.Y.
Robert Gordon Sproul, President, University of California, Berkeley, Calif.
Owen D. Young, Honorary Chairman of the Board of Directors, General Electric Co., Van Hornesville, N.Y.

Department of State Bulletin
Coal for Europe

BY ASSISTANT SECRETARY THORP

The fact that we have gathered here to attend the first annual dinner of the Coal Exporters Association of the United States calls attention to a dramatic and significant new development in the economic relationship among nations. Before the war, the volume of coal exports from this country to Europe was so negligible that the returns would hardly have justified an occasion of this kind. Our annual coal exports to European countries did not exceed 100,000 tons, except during the abnormal situation arising from the general strike in Great Britain in the mid-twenties. Today, the contrast is startling; Europe depends on American coal for its margin of existence. Those black diamonds which we have always thought of as a domestic product have become an international commodity of surprising importance.

Coal is the basic, indispensable element of modern industrialized civilization. That truth has long been recognized, but the experience of Europe during the last two years has served to emphasize it once again. Coal is not only a fuel; it is an essential factor in other important industries, including steel, transport, textiles, fertilizer, and lumber. Right now, coal is the primary bottleneck that is blocking an increase in European industrial production in all fields.

Coal is needed to produce Europe’s food crops. We have all been reading lately about the second consecutive failure of Europe’s principal agricultural crops. For example, the wheat yield in France this year is the lowest since Napoleon’s time. This is largely due to bad weather; extreme cold last winter froze seed in the ground, and droughts during the summer months drastically reduced the already meager crops.

But Europe’s poor food production is also attributable in large measure to lack of sufficient quantities of fertilizer. All during the war, the soil of Europe steadily deteriorated, and its ability to produce today is certainly below the prewar level. Potash and phosphate are available in limited amounts, but there is an acute shortage of nitrogen. Germany, which, before the war, led the world in nitrogen production and exported much of it as fertilizer, now is exporting none whatsoever. Because coal is lacking, Europe has an idle capacity capable of producing about 380,000 metric tons of nitrogen. Seven or eight tons of coal are required to produce one ton of nitrogen, but one ton of nitrogen, combined with other nutrients, will increase the yield of wheat over an appropriate acreage by 12 tons, so the shortage of coal is reflected in the shortage of food.

Coal is needed in transport. Europe’s railway systems operate almost exclusively with coal-burning locomotives. The railroads normally keep two weeks’ supply of coal on hand, in frequent coaling stations. Because coal is scarce, fewer stations are maintained, and locomotives go farther without refueling; this practice is inefficient and wastes coal. There is also a scarcity of coal cars—a problem with which you are familiar to some degree in this country. The shortage of transport hampers the development of all types of economic activity.

The lack of coal is holding back the production of steel, although iron ore is abundant, steel scrap is available, and labor is sufficient. The lack of steel, in turn, has handicapped coal mining, since mine equipment is worn out and wearing out, and replacements and spare parts are practically unobtainable.

Coal has even curtailed the supply of lumber. The Scandinavian countries normally import coal from Germany, Poland, and Britain, and in return send them lumber. Now, because Sweden, Norway, and Finland cannot get enough coal, they are burning wood as fuel instead of converting it into lumber, which is badly needed for reconstruction in the other European countries. Coal production itself depends on wood in the form of pitprops, which are now exceedingly scarce, especially in the Ruhr.

Coal is essential for power, light, and heat. There are some hydroelectric plants in central France, Germany, Switzerland, Austria, and Norway, but for the most part Europe depends for electricity upon power plants fueled with coal. The summer drought has reduced hydroelectric

October 5, 1947

1 Address delivered before the Coal Exporters Association of the U.S. at New York City on Sept. 25, 1947, and released to the press on the same date. Willard L. Thorp is Assistant Secretary of State for economic affairs.
output and increased the demand on steam generators. Since coal is short, electricity is rationed to factories, and householders have current only at night. Thus the influence of coal permeates every phase of community life.

Coal is the heart of Europe's industrial economy, and the Ruhr is the heart of the coal problem. Before the war, it was the Ruhr which was the great source of coal for continental Europe, and I must tell you about the Ruhr so that you can understand the present need for American coal and the certainty that this need will continue at present levels for several years, as a minimum. Before the war an effective labor force of about 400,000 men produced about 140 million tons per year or about 440,000 tons a day from the Ruhr mines. When Allied troops occupied the Ruhr in 1945, production had dropped to about 30,000 tons a day and the labor force remaining after the release of forced labor consisted of hardly more than 100,000 men.

As a prime industrial target, the Ruhr had been heavily bombarded and fought over. As a result, mines representing 10 percent of normal production had been damaged so severely that it has not been possible to restore them even after two years. About 25 percent of the mines now operating were so badly damaged that they have been repaired only with great difficulty. This means that about one third of normal capacity had been knocked out of production or seriously impaired. Mining supplies were no longer being manufactured, and machinery has depreciated and stores are badly depleted. Pitprops were almost nonexistent, as large stocks had been destroyed by fire. Transport was completely disorganized, and industry generally was at a standstill. Out of 250,000 miners' homes in the Ruhr, only one fifth were still undamaged; 66,000 had been destroyed and 130,000 were damaged in varying degrees.

One of the first steps taken by the occupying authorities was the establishment of a recruiting system for miners. About 35,000 former miners among the prisoners of war in the British zone were returned to the mines, and all able-bodied men aged 18 to 35 not in essential employment were directed into mining. Top priority in the supply of labor was accorded mining. As a result of these measures, the number of miners increased by the end of 1945 to about 200,000—double the number available on V-E Day but only half the prewar total. During 1946 the number recruited barely kept pace with the number that left the mines. Recruitment was stimulated by a wage rise late in 1946 and an incentive program early in 1947. The present labor force numbers about 250,000, and the net increase is approximately 1,000 per week, which is about all that can be taken care of under the housing program. Almost all of the new labor is unskilled and therefore inefficient. Adult labor is trained by working alongside skilled miners, and 14,000 young men are being specially trained in institutes.

The 20 percent wage increase granted in 1946 placed the miner among the highest paid workers in western Germany, and he probably is better protected by social security benefits than any other worker. Some progress has been made in improving housing for the miners. By the middle of 1946, 95,000 miners' dwelling units had been repaired, 2,000 Nissen huts had been converted into dwellings, and some prefabricated houses put up. A two-year plan devoted exclusively to miners' housing is now under way, with a special allocation of coal for production of the necessary materials.

However, the most important single factor affecting coal production since the occupation has been the food supply. When food has been scarce and rations reduced, coal production has declined drastically; when the 1,500-calorie ration, low as it is, is maintained, the production chart of coal shows a corresponding up-curve. It is not only necessary to feed the miner enough to give him energy for the hard work he does (he gets a special ration), but his family must receive sufficient food too. If they can't get enough rationed food, then the miner saves from his own ration and also is likely to stay out of the pit and forage the countryside for food for his family.

Early this year a "points system" was instituted, by which a miner who reports for work regularly and increases production receives coupons entitling him to purchase extra food and consumer goods not otherwise obtainable. This system was further refined in July to make the incentives even more attractive.

Another limiting factor has been the extreme shortage of equipment and supplies, such as steel, chemicals, rubber belting and hose, electrical equipment, miners' work clothes, and pit wood. Even given the men, materials, and necessary
transport, however, the present potential capacity of the mines is 350,000 tons per day, or about four fifths of prewar. Any increase beyond this point will require extensive repairs and new machinery. To restore full prewar capacity would require from 13\% to 2 million tons of steel alone.

It is possible that some increase in production can be obtained through greater mechanization of the mines, although conditions in the German mines are much less favorable for the use of machinery than those in this country. During the last several years certain new types of machinery particularly adapted to Ruhr conditions have been developed. There are now 30 so-called coal ploughs in use, which cut and load coal in the same operation, and 23 more are on order from German manufacturers.

The combination of all these efforts has meant that in recent weeks production has reached a new high level of slightly over 240,000 tons a day. This is a significant improvement, but it can hardly be compared with the prewar figure of 440,000 tons per day. Clearly the problem will be with us for a long time.

Increased production at the mine is of little avail, however, if the coal cannot be moved to the places where it is needed. The German transport system is in such poor condition now that coal is actually accumulating at the pits. Since such further improvement of the railway system seems impossible at the moment, in view of the world-wide shortage of rolling stock, the only immediate solution apparent is the greater utilization of water and highway transport. Negotiations are now in progress with Belgium and the Netherlands for use of their ports, barges, and tugs, in order to relieve the heavy burden on the rail facilities from Bremen and Hamburg. It also may be possible to arrange for Belgium and Czechoslovakia to repair some rolling stock now immobilized in Germany.

From the beginning of the occupation, the British were responsible for coal production in the Ruhr, since that area was in their zone. At Potsdam it was agreed that the four zones in Germany should have a certain degree of economic unity. However, that agreement was never implemented, and the four zones operated almost like four different countries. In December 1946, however, the American and British Governments agreed on economic fusion of their two zones in the interest of increased efficiency. Since that time, the respective zone commanders have been considering establishment of a German administration for the coal industry in the bizonal area, under joint Anglo-American control. This is made possible by the completion of the denazification process in that area, whereby all who could be shown to have been active Nazis were removed from positions of power.

The provisional agreement of the zone commanders called for placing responsibility for coal production in German hands, through creation of a German coal management responsible to the British and American Military Governments. Anglo-American supervision would be exercised by a United States–United Kingdom control group, which would issue directives to the German management.

Early in August, the British Government sent a delegation to Washington to discuss with representatives of our Government the whole problem of increasing coal production in the Ruhr in the immediate future. After several weeks of discussion, the conference recommended a whole series of steps to be taken to increase production, one of which was that the proposed agreement be put into effect.

If this recommendation is accepted—and we certainly hope that it will be—the American commander in Germany will appoint representatives to form, with their British counterparts, the new joint control group. When this is done, the United States for the first time will share equally in the control and supervision of the Ruhr coal industry. This arrangement is logical, since under the bizonal plan the expenses incurred as a result of occupation of the British and American zones are paid by the two Governments on a 50-50 basis.

Joint economic action by the British and American Governments in Germany is not confined to coal alone. Obviously the rate of production of coal affects, and is affected by, the productivity of related industries, such as steel and transportation. These are relationships that cannot be ignored.

What is urgently needed in Germany is not an increase in coal production alone but an integrated, synchronized advance all along the line.

It was for this reason that the British and American Governments, after consultation with the French Government, four weeks ago, announced an upward revision of the level of industrial capacity authorized in the bizonal area of
Germany. The necessity for this revision resulted chiefly from the failure of the four occupying powers to treat Germany as an economic unit, as required by the Potsdam agreement. Since the original level-of-industry plan agreed upon by the occupying powers was based on the assumption of economic unification, and unification has not been realized in fact, a somewhat higher level for the bizonal area is necessary in order to support the population and reduce reliance upon contributed imports, mainly from the United States.

The industrial capacity which would have been retained in the bizonal area under the original plan would have made possible a general level of production equal to about 70 or 75 percent of 1936. The new plan raises the permitted level to approximately the equal of 1936, a year that was characterized by neither boom nor depression. However, the bizonal area already has a population six million greater than in 1936, and by 1952 it is expected to contain a population eight to ten million larger than in 1936. Therefore, even under the revised level of industry, the per capita production capacity of the bizonal area in 1952 would be about 75 percent of 1936.

In developing the new bizonal plan, the paramount consideration was the establishment of a level of industry that would ultimately make the area self-supporting and enable it to make an appropriate contribution to the recovery of Europe as a whole. Germany is irrevocably a part of Europe, and Europe cannot recover its economic health while Germany is a festering sore, any more than the human body can be healthy while some central organ is diseased.

Germany was formerly the nerve center of much of Europe's trade—a major producer of iron, steel, and coal, a purchaser of raw materials and food from other parts of the Continent. Germany was a workshop and a supplier of manufactured goods, a railroad center, a shipping artery, a banker. It is not so today, for Germany was more thoroughly smashed than any other part of industrial Europe. Perhaps the best way for Americans to comprehend the meaning of the devastation in Germany, and particularly the Ruhr, is to try to visualize what effect the smashing of our industrial complex from Chicago to Pittsburgh—to a point where it was reduced to production at 40 percent of the former level—would have on the national economy of the United States.

The meaning of the virtual disappearance of Germany from the European economy can be glimpsed in a quick look at the case of the Netherlands. Before the war nearly one fifth of all Dutch trade was conducted with Germany. The proportion was even higher in the case of vital imports such as iron and steel, chemicals, machines, and instruments. More than half of all the industrial equipment in the Netherlands is of German origin. Dutch industry is badly handicapped in its recovery efforts by the lack of spare parts, equipment, and materials that Germany once supplied.

Germany was also an important buyer of Dutch products, particularly agricultural products, which constituted one third of Dutch exports. The failure of Germany to take any part of its customary one fifth of Dutch exports of dairy products and garden produce has hit Dutch exporters hard. Another major factor in Holland's prewar economy was the transit traffic through the ports of Amsterdam and Rotterdam. Four boats in every five in the Dutch Rhine fleet were used in carrying German goods. This substantial income for the Netherlands has almost ceased to exist, since German trade through the Rhine ports has declined to one fifth of prewar. The occupying authorities, to save foreign exchange, have diverted this trade to the German North Sea ports, and this in turn has increased the strain on the crippled German transportation system.

The failure of German exports, especially coal, to revive has retarded the recovery of all Europe. Because of the pressure to earn dollars to pay for essential food and other imports, the few German manufacturers who have resumed operations tend to concentrate on luxury and semi-luxury items—cameras, toys, binoculars—which find a market in hard-currency countries. Meanwhile, Europe desperately needs German mining machinery, spare parts, milking machines to increase Dutch and Danish dairy production, and many other articles essential to recovery. As long as German production is less than half of prewar, and her trade lags even further behind, it constitutes a serious brake on the satisfactory recovery in Europe.

Secretary Marshall defined the aims of the United States in Germany in a statement to the Conference of Foreign Ministers at Moscow, in which he said: "The United States is opposed to policies which will continue Germany as a con-
gested slum or an economic poorhouse in the center of Europe. ... we want Germany to use its resources of skilled manpower, energy, and industrial capacity to rebuild the network of trade on which European prosperity depends; ultimately, it desires to see a peaceful Germany, with strong democratic roots, take its place in the European and world community of nations." This does not contemplate the recovery by Germany of her former economic power but does suggest that her resources are needed by the rest of Europe.

These objectives assume even greater importance in the light of Mr. Marshall's proposal of June 5 that the European nations take the initiative in developing a comprehensive, workable plan for the earliest possible reconstruction of Europe, based on maximum effort by each nation and of Europe as a whole and a minimum of additional assistance from the United States.

The new level of industry in the bizonal area and the recommendations for joint efforts to increase coal production in the Ruhr, from the present low level of about 72 million tons a year to something like the prewar figure of 140 million tons, reflect the determination of this Government to take the measures necessary to utilize German resources in the interest of general European recovery. Even now, at the current unsatisfactory level of coal production, Germany is exporting an average of one million tons a month to other European countries, at the expense of the German economy. As production in the Ruhr increases, the other nations cooperating in the European recovery program will share in the distribution of the increase.

I want to state, as emphatically as I know how, that the United States does not intend to promote the recovery of Germany at the expense of the rest of Europe. Exactly the contrary is true. We do see recovery in Germany as a necessary part of European recovery.

We are also keeping fully in mind the problem of security. No one can forget that Germany has started two world wars. Therefore, we have carried out a vigorous demilitarization program in our occupation zone. We intend to see that Germany does not again threaten to break the peace. That offer still stands.

Meanwhile, Germans have been eating one third less than other Europeans, on the average, and Germany's industrial production index is only about 40 percent of 1936, compared with 80 to 100 percent for her neighbors. These gaps are too great, and we are determined to narrow them, for the relief of the American taxpayer and for the benefit of Europe itself.

Until Europe can increase production enough to overcome the accumulated deficit resulting from the war and to pay its way in the world again, it must import the irreducible minimum of supplies required to support a tolerable standard of living and give its peoples the strength and the wherewithal to accomplish the exacting tasks of reconstruction. Virtually the only source from which these supplies can be obtained is the Western Hemisphere, and that means principally the United States.

The fundamental problem in Europe is one of production. The shortage period has meant austerity for them and an increasing problem of finding ways and means to buy necessary new materials and food abroad. Eventually, their own production should meet most of their own needs and provide exports enough to pay for the balance. In the interim, American assistance is the only apparent solution.

Of course, it is not really dollars which they need but commodities. To fill the gap between the volume of coal which Europe is now producing and the volume it must have to meet essential requirements, the United States is shipping coal across the Atlantic at a current rate of almost 50 million tons a year. Even that only fills the gap in part. Four hundred to five hundred ships a month are clearing from American ports with cargoes of coal bound for the hungry furnaces of Europe. This prodigious achievement is another tribute to the ingenuity, energy, and technical skill of American management and labor. The continuance of this performance, possibly for several more years while Europe strives to achieve something like a balance between its coal production and requirements, will challenge our best efforts.

We may experience, as we have in past months, difficulties in first one and then another phase of the program—getting the coal out of the mines, finding enough coal cars, keeping sufficient port
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facilities in efficient operation, assembling enough shipping to do the job. Teamwork between labor and management, between business and government, have surmounted every obstacle. A continuance of that excellent cooperation will be necessary, especially during the coming winter, to make sure that the American coal industry produces in sufficient volume to meet all domestic requirements and the demands for essential exports as well. We have already proved it can be done; we must keep on proving it.

The coal exporters of this country have made a magnificent contribution to this achievement, as is conclusively demonstrated by the records. In our best month last year, 2,300,000 tons of coal cleared American ports for Europe; in August, our best month so far this year, 4,300,000 tons were shipped to Europe—an increase of almost 100 percent.

This is all the more remarkable when we consider the magnitude of the physical task alone, plus the necessity of dealing with a number of government missions and conforming with those government regulations, in the formulation and enforcement of which you gentlemen fully cooperated.

I hardly need to tell you, but I would like to inform the American people, that the coal exporters of the United States occupy a position of great strategic importance and that they are acquitting themselves well. You operate the controls for the movement of the most vital element in the world economy—with the sole exception of food. By your efforts you are quickening the pace of world recovery and are contributing magnificently to the attainment of the conditions of stability, prosperity, and peace which we all so earnestly desire.

Execution of Nikola Petkov Declared Travesty on Justice

[Released to the press September 23]

The Department of State has received confirmation from the Acting Political Representative in Sofia that Nikola Petkov was executed on September 23.

Mr. Petkov was one of the four Bulgarian signers of the Bulgarian armistice. As the leader of the Agrarian Party, the largest political party in Bulgaria, he played an active and leading role in the establishment of a coalition government in September 1944, following the overthrow of the Bulgarian Nazi regime. Subsequently, in July 1945, Mr. Petkov and the majority of his party withdrew from the minority-controlled organ which that Government became. Since July 1945 he has been the acknowledged leader of the opposition. He was arrested on charges of conspiracy against the government on June 8, 1947.

Mr. Petkov's trial was a travesty on justice. Two of the attorneys selected by Petkov were seized by the militia. The court refused to permit the appearance of numerous witnesses requested by the defense. The court likewise denied a request by the defense for a postponement to permit study of the pre-trial record. The presiding judge actively participated in the prosecution. On August 16, 1947, the court pronounced Mr. Petkov guilty of "having inspired certain Bulgarian Army officers to found a military union which conspired to overthrow the Fatherland Front government," et cetera. Mr. Petkov was sentenced to death.

Mindful of its obligations under the Yalta agreement in regard to assisting the peoples of the former Axis satellite states to solve by democratic means their pressing political problems, the United States Government requested the Soviet acting deputy chairman of the Allied Control Commission to instruct the Bulgarian Government, without prejudice to the right of Mr. Petkov to appeal, to suspend the sentence passed upon him until the Commission had had full opportunity to review the case. This and subsequent approaches to the Allied Control Commission were rejected by the Soviet acting deputy chairman of the Allied Control Commission in regard to the matter. This approach and a later one of August 30 to the Soviet Foreign Office were likewise rejected on similar
reasoning. The United States Government also communicated its views concerning the Petkov case to the highest Bulgarian authorities.

The timing and conduct of the trial and its relationship to other repressive measures undertaken by the Bulgarian authorities make it abundantly clear that the trial constituted but one of a series of measures undertaken by the Communist-dominated Fatherland Front government to remove from the Bulgarian scene all save a purely nominal opposition and to consolidate, despite its professions to the contrary, a totalitarian form of government. The trial of Nikola Petkov recalls to memory another trial which occurred in Leipzig 14 years ago. In that earlier trial a Bulgarian defendant evoked world-wide admiration for his courageous defiance of the Nazi bully who participated in his prosecution. Today that defendant has assumed another role, and it is now the courage of another Bulgarian whose steadfast opposition to forces of oppression has evoked world-wide admiration. In bringing Nikola Petkov to trial the Bulgarian regime placed itself on trial in the minds of many Bulgarians and of freedom-supporting peoples outside Bulgaria. In the court of world opinion that regime has shown itself wanting with respect to elementary principles of justice and the rights of man.

Denial of Misconduct by U.S. Military Forces in Yugoslavia

EXCHANGE OF NOTES BETWEEN THE UNITED STATES AND THE FEDERAL PEOPLES REPUBLIC OF YUGOSLAVIA

Text of the Yugoslav note of September 22

P. No. 1200

The Ambassador of the Federal Peoples Republic of Yugoslavia presents his compliments to the Honorable, The Secretary of State and has the honor to inform of the following:

1. On the occasion of the withdrawal from the demarcation line in the Julian March and shortly before their departure, the American occupational troops committed serious attacks against the property in the region which was taken over by the Federal Peoples Republic of Yugoslavia. On the night of September 15–16, American soldiers demolished a hospital in Sezana and removed all of the valuable articles.

2. Along the whole demarcation line American troops burned or destroyed other-wise practically all of the barracks. Such action on the part of American soldiers increased the tension on the demarcation line and could have caused undesired incidents. Besides that, American troops displayed a hostile attitude towards the Federal Peoples Republic of Yugoslavia.

3. The American soldiers tried to provoke incidents and made physical attacks upon the Yugoslavs. On September 15, on the road between Tolmin and Kobarid, American soldiers physically attacked and beat Yugoslav telephone workers who were working on a telephone line. On September 15, on the road St. Lucia–Kozariste, American soldiers distributed Anti-Yugoslav leaflets.

Moreover, Italians exercised moral pressure on the population in the territory which was to belong to the Federal Peoples Republic of Yugoslavia so that they would move out.

In the region of Kobarid American soldiers, during their withdrawal, fired three artillery shots on the territory of the Federal Peoples Republic of Yugoslavia. They tried to provoke incidents by firing from infantry arms. Such action by the American occupation forces may have left the population of the territory in question with the impression that the American authorities are hostile and in that way incite incidents which would make difficult or even impossible the peaceful “taking over” of the territory.

The attitude of the American occupational authorities, before the carrying out of the Peace Treaty, made it possible for followers of Fascist organizations to provoke incidents, attack property and make physical attacks on the Yugoslav population and even upon the Yugoslav citizens.
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in the Italian territory or on the Free territory of Trieste.

During the night of September 14–15, a mine was laid in the building of the "Primorski dnevnik" in Gorica. It was a fortunate incident that the mine was found and removed by Yugoslav citizens and therefore its explosion was prevented. A Yugoslav automobile with license plate TP was burned the same night by an organized group in Gorica.

On September 14 at 2 p.m. members of the Organization "Divisione Gorizia" destroyed the restaurant belonging to a Slovene—Polde Cesut—injured him and stole 19,000 lire. In the same manner the restaurants of Petar Kralj, Petrovic Makso and Giff were attacked and Marcija Butnjoli was seriously wounded. At 8:00 p.m. of the same evening, the Library of "Ljudska Zalozba" was attacked and 30,000 Slovene books were destroyed.

On the night of September 13–14 in Gorica, organized groups attacked the houses of Gorica citizens who did not want to display Italian flags. In these attacks three grenades were thrown.

Attention should be drawn to the fact that the Organization "Divizione Gorizia" is organized under the same principles as the Fascist Squadristi and that the majority of the members are former members of the Fascist party.

On September 15, in Trieste, the head of the Yugoslav border commission, Colonel Kilibarda and Major Altarac were attacked. Fifteen members of the civilian police, who were present, did not intervene and did not protect the above mentioned official representatives of the Federal People's Republic of Yugoslavia. On that occasion the automobile of Colonel Kilibarda was damaged.

The Ambassador of Yugoslavia, would, at the same time, like to mention that the American occupation authorities, before the Peace treaty came into effect, allowed, between September 13–14, the entry of Italian troops and carabinieri into Gorica.

The American occupational authorities are responsible for the criminal activities of the members of the above named organizations because they are in charge of the maintenance of Law and order, and with the protection of personal integrity and property on the territories in question.

The Government of the Federal Peoples Republic of Yugoslavia wishes to express its unsatisfaction for the incorrect stand of the American soldiers and commander and reserves itself the right to seek compensation for the damages incurred by American soldiers.

The Yugoslav Ambassador takes this opportunity to renew to the Honorable the Secretary of State the assurances of his highest consideration.

WASHINGTON, D. C., September 22, 1947.

Text of the United States reply of September 23 to the Yugoslav note of September 22.

The Acting Secretary of State presents his compliments to His Excellency The Ambassador of the Federal People's Republic of Yugoslavia and has the honor to acknowledge the receipt of the Ambassador's note P. No. 1200 of September 22, 1947, detailing numerous alleged instances of misconduct by United States military forces during their withdrawal from territory ceded to Yugoslavia under the Treaty of Peace with Italy.

These charges have been determined upon investigation to be wholly without foundation in fact and are rejected by the Government of the United States as unworthy of comment.

SUMMARY OF ANSWERS TO YUGOSLAV CHARGES¹

[Released to the press September 24]

CHARGE 1: American Occupation Forces committed numerous insolent attacks against our populace, property and citizens at the moment of withdrawal from Istria.

ANSWER: The withdrawal of the American and


British troops from Pola, at the end of the Istrian Peninsula, was made in good order and without attacks of provocation against anybody, and without any harm to property of any kind. The American officer in command at Pola states that all property was left in excellent condition.

CHARGE 2: Between night 15–16 September soldiers demolished hospital in Sesana and plundered everything of value. Between Tolmino and Capo-
American soldiers attacked and injured many of our workers who were working on telephone lines there.

**Answer:** No acts of looting or plunder on the part of American troops occurred at any place along the Morgan Line. On the contrary the withdrawal took place in good order, and without incident. No American soldier attacked or injured or otherwise molested any Slovenes in any way.

**Charge 3:** On road St. Lucci–Kozarsche American soldiers threw leaflets from jeep with Italian written on them. They pressed the inhabitants of this region to leave territory.

**Answer:** This preposterous statement has no basis in fact.

**Charge 4:** During the night 18–14 September American authorities allowed units of the Italian army and Carabinieri to enter Gorizia before coming into force of Peace Treaty and at same time prevented our authorities from entering Zone A territory falling to Yugoslavia.

**Answer:** Units of Italian Army and OS carabinieri were allowed to come forward to the treaty line at R minus one, in order that an orderly handover to the representatives of the two nations could be made on the treaty line.

**Charge 5:** At several places American soldiers either destroyed or set fire to barracks.

**Answer:** Such barracks as the American soldiers occupied in Zone A were improved during their occupation, and were not injured in any way upon withdrawal therefrom.

**Charge 6:** During withdrawal American military units fired 3 artillery shots at Caporetto in our territory and attempted to provoke incidents by shooting infantry weapons.

**Answer:** No American unit or soldier fired a single shot during the entire operation, prior to, during, or after the hand-over. The evacuation of the St. Alucia and Caporetto area was without incident of any sort. No shots fired from any weapon. No troops were involved with any civilians. Civilians were friendly and arrangements had been made to transfer barracks at Plezzo to Yugoslav Army detachments but the steady movement of the Yugoslavs and their complete disregard of all prior timing arrangements made it impossible. Brigadier General Gaither, Deputy Commander of the 80th Infantry Division was personally present in Caporetto until 2340 on 15 September, and was the last U.S. soldier to leave Caporetto and the territory ceded to Yugoslavia. A Yugoslav liaison officer was present with him.

**Charge 7:** Under the protection of American soldiers, Italian Fascist bands committed numerous crimes against inhabitants.

**Answer:** The American authorities know of no Fascist bands who committed crimes against inhabitants. The charge that such crimes were committed “under the protection of American soldiers” is false.

**Charge 8:** From above facts it is clear that American authorities and American military units have roughly broken obligation they accepted under Peace Treaty. They have shown their enemy attitude towards our people by brutal attacks, terror and plunder of property. It is no wonder then why our people in Istria are comparing behavior of American soldiers with behavior German Italian armies during war.

**Answer:** The American military units turned over treaty line exactly as it was drawn, and maintained all obligations imposed under the treaty; the American authorities met with Yugoslav authorities and attempted to arrange for an orderly turnover in every respect. The U.S. forces committed no acts against Slovene citizens and no plunder of their property. The attitude of the American troops toward the inhabitants of that part of former Zone A which has now come under the domination of the Yugoslav Government has been consistently friendly. There has been no hostility at any time on the part of the Americans. This allegation is untrue, and is a trumped up and malicious charge.

**Charge 9:** “Politika” states “most recent news tells of further brutal violations Peace Treaty provisions and cites incident in which American occupation units occupied 300 meters territory near Penetetica belonging Yugoslavia.” According to “Politika”, “Yugoslav commission went to mentioned populace and protested. American authorities promised to leave at once but instead issued orders to units to take positions on border armed with machine guns and infantry cannon.” “In this way” states “Politika”, “they violated international agreements and showed they desired to provoke an incident and a disturbance on the border.”

**Answer:** The American forces turned over the treaty line exactly as prescribed. No violation of Yugoslav territory was made. In all cases where
The Yugoslavs attempted to force the U.S. troops back away from the treaty line the American troops refused to move, and indicated that their orders were to stand fast. All international agreements were scrupulously adhered to.

Charge 10: "Politika" adds "American military as well as Italian authorities were also responsible for penetration of Chetnic and Ustashi bands into territory Zone A now belonging to Italy" and concludes "provocative incidents committed by American and Italian military forces and Ustashi quilling bands are a new attempt by war mongering elements to create hot spots and to prepare eventually ground for intervention by foreign interventionists. They mean at this same time of course the breaking of Peace Treaty agreements."

Answer: No penetration of Chetnik or Ustachi bands into territory of Zone A was made. American and Italian military forces committed no provocative incidents.

Protest to Yugoslav Government Concerning Zonal Boundary in Trieste

Statement by Acting Secretary Lovett

[Released to the press September 24]

On September 22 the United States protested to the Yugoslav Government through the American Embassy at Belgrade against irresponsible Yugoslav actions in presenting ultimatums to local Allied military representatives demanding alterations in the provisional boundary between the British–United States zone of the Free Territory of Trieste and Yugoslavia. In presenting the protest, American Ambassador Cavendish Cannon requested the Yugoslav Government to issue immediate instructions to end this practice, which the United States Government considers exceedingly dangerous and likely to precipitate incidents leading to most serious consequences.

Ambassador Cannon expressed the U.S. view that matters in dispute between local military posts must be resolved through normal civilized procedures and requested that orders be issued immediately to insure that such additional matters of local dispute as may arise will hereafter be referred to the appropriate Yugoslav commander for resolution through discussion with General Airey. He emphasized that General Airey has been instructed to maintain the established provisional line, which must be recognized as the de facto boundary between the British–United States zone of the Free Territory of Trieste and Yugoslavia until definitive delineation has been undertaken in accord with the terms of the Italian treaty.

Denial of Charges Made Against Ambassador Lane at Krakow Trials

The widely publicized Krakow Trials in which Stanislaw Mierzwa, Alternate Secretary General of the Polish Peasant Party and 16 other co-defendants were charged with maintaining contacts with the underground and furnishing "espionage material" to representatives of foreign powers, ended on September 11, 1947.

Charges made during the trial that former American Ambassador Arthur Bliss Lane and members of his staff were among the chief recipients of the alleged "espionage material" were denied in the following statement issued by the Department of State on September 18, 1947:

The Department of State has no knowledge of the receipt by the American Embassy at Warsaw of information of any kind from persons mentioned in the Krakow trials and has been assured by former Ambassador Lane that he had no contacts with such persons, did not to his knowledge receive any information from them, and had strictly forbidden members of his staff to maintain any relations with the Polish underground.

Preliminary Distribution of the "Gold Pot"

Statement by Acting Secretary Lovett

[Released to the press September 24]

At the Paris Reparations Conference (November–December 1945) it was agreed that all the monetary gold found in Germany by the Allied forces and looted gold recovered from third countries to which it was transferred from Germany should be pooled for redistribution among the victimized countries on a prorata basis. On September 27, 1946, a gold commission composed of representatives of France, the United Kingdom, and the United States was set up in Brussels to scrutinize claims for looted gold and to determine the share of each claimant government.

Although the technical and legal difficulties involved are tremendous, the Department of State
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has instructed its representative on the Commission, in view of the critical international financial situation, to urge a preliminary distribution of the "gold pot" not later than October 15. The Commission has agreed to try to meet this deadline. The return of a substantial portion of their monetary gold reserve to some of the European countries which are in a critical financial situation will help them to overcome their present difficulties. There are at present available for distribution about 260 million dollars' worth of gold looted by the Nazis and recovered by United States forces in Germany plus about 70 million dollars' worth of gold recovered from third countries. Negotiations with third countries still going on should yield additional looted gold for the "pot" in the near future. Only about half of the total of 330 million dollars' worth of gold now available can be distributed immediately since a substantial reserve will have to be withheld to meet claims which may later be determined to be valid. The total of all claims submitted to the Commission amounts to nearly 800 million dollars' worth of gold.

Claims have been filed by Albania, Austria, Belgium, Czechoslovakia, Greece, Italy, Luxembourg, Netherlands, Poland, and Yugoslavia. I am not in a position to reveal the amount of each particular claim, nor am I in a position to say at this moment how much any one of the afore-mentioned countries will receive in the preliminary distribution, since the decision is up to the Tripartite Gold Commission and will be announced by this Commission.

Normal Diplomatic Relations With Ecuador Established

[Released to the press on September 22]

The United States Government re-established normal diplomatic relations with Ecuador on September 22.

Several other American republics have likewise extended recognition to the Ecuadoran Government.

Amendments of Migratory Bird Treaty Act

The President, by proclamation of September 27, 1947, authorized the Secretary of the Interior to amend the regulations approved by Proclamation 2739 of July 31, 1947, by changing the dates of open seasons on waterfowl, coots, rails, and gallinules in the State of Wisconsin and on waterfowl and coots in the State of Oklahoma. For text of the proclamation see White House press release of September 27, 1947.

Resignation of William Benton as Assistant Secretary of State

On September 24 the White House announced the resignation of William Benton as Assistant Secretary of State, effective October 1. For the texts of Mr. Benton's letter to the President and his report to the Secretary of State, see the White House press release of September 24. Howland H. Sargent is designated as Deputy Assistant Secretary of State for public affairs effective October 1.
**Economic Affairs**

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The Department of State Bulletin

Vol. XVII, No. 432 • Publication 2937

October 12, 1947

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
THE GENEVA CHARTER FOR AN INTERNATIONAL TRADE ORGANIZATION

IV. Subsidies and State Trading

The draft charter for the International Trade Organization, adopted by the Preparatory Committee of the United Nations Conference on Trade and Employment at Geneva, and recommended by it to the World Conference which will convene at Habana on November 21, 1947, made a number of important changes in the texts of the sections on subsidies and state trading which had been tentatively agreed upon at the meetings at London and Lake Success.

These two sections play a more important role in the draft charter than would be apparent from the space they occupy. This is especially true of the section on state trading, which includes only 2 of the 100 articles of the document but which attempts to answer one of the most difficult questions that have faced the Preparatory Committee—whether countries which carry on trade through state enterprises can conduct their commerce with private-trading countries on amicable and mutually profitable terms or whether the rapid growth of state enterprises dooms the world to a permanent cleavage between two systems, with economic warfare between them the normal state of affairs.

Before the first session of the Preparatory Committee there were many who believed that there was no satisfactory solution to this problem—that state-trading enterprises have an artificial advantage over competitive private traders that can be met in private-trading countries only by government monopolies—in other words, by universal state trading throughout the world.

The Preparatory Committee did not accept this as the answer. It could not. For even if it had decided to draw a curtain between the state-trading and the private-trading worlds it could not have written satisfactory trade rules for the latter while ignoring the problem of state trading. Nearly every country, including the United States, had acquired during the war some experience with state trading. And this experience could be used effectively by any member to nullify all the other obligations of the charter if there were no provisions in the charter to prevent it.

While the rapid growth of state trading

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Editor's Note: This is the fourth in a series of articles describing the draft charter for an international trade organization formulated at Geneva by the Preparatory Committee for the United Nations Conference on Trade and Employment, which will open at Habana on November 21 of this year. The first three articles dealt with the General Commercial Provisions of the Charter, with the question of Quantitative Restrictions, and with the problem of Employment and Economic Development as related to the Charter. Later articles will discuss Cartel and Commodity Policy and the Structure of the ITO.
throughout the world increased the importance of the problem, its solution was made more difficult by the lack of precedent. When the Preparatory Committee held its first meeting at London last autumn, it was faced with the task of writing rules for an area of trade which had hardly been touched by any previous international agreement.

The Preparatory Committee at its first session devoted considerable effort to working out formulas to fit both subsidies and state trading into the pattern of the other commercial-policy provisions of the draft charter. These formulas were further refined at the meeting of the Interim Drafting Committee at Lake Success. When the Geneva meeting convened, these earlier drafts had been studied and criticized in detail not only in the United States but in the other countries represented at the meetings. A possible result of that public discussion might have been a stiffening of the desire of each country to maintain its own freedom of action in these fields. Instead, the Preparatory Committee at Geneva amended both sections, particularly that on state trading, in the direction of the tightening of their requirements and the closing of possible avenues of escape from their provisions.

Relation of Subsidy and State-Trading Provisions to General Commercial Policy

The general purpose of the commercial-policy chapter of the draft charter has been outlined before in this series of articles. But a brief review may be worth while so that the part played by the subsidy and state-trading sections in the charter may be better understood.

In broad outline, the two most fundamental purposes of chapter IV of the charter are to increase the volume of international trade by reducing trade barriers and to reverse the trend of the interwar years toward bilateralism. Bilateral trading—the attempt by a country to bring its trade with each other country separately into balance—was a characteristic feature of the 1930's. Expressed through such devices as barter agreements, blocked currencies, and differential exchange rates, it could be accomplished only by discrimination between countries. Its result was a smaller volume of world trade and lower standards of living.

In general, therefore, the commercial-policy chapter attempts to abolish the more restrictive forms of trade barriers, isolating import duties as the only form of protection generally permitted, and requires that those duties be the subject of negotiation for their limitation or reduction. And to combat bilateralism, the draft charter in general outlaws discrimination among members in the application of any form of protection that is permitted. The rest of this analysis is, in brief, a description of the way in which these two principles have been applied to the subject of subsidies and state trading.

Although a subsidy is not necessarily a barrier to trade and may sometimes create trade that would not otherwise take place, it can operate so as to give a country a greater share of world exports than it would enjoy if its producers were forced to sell at world prices. When a subsidy has this effect and particularly if it consists of a direct export subsidy, it almost inevitably leads to retaliation and therefore to discrimination.

It is equally true that state trading does not necessarily represent a barrier to trade. Its danger lies in the fact that a government can, simply through the day-to-day operating decisions of the state-trading enterprise, discriminate as among foreign suppliers or markets without, by law or regulation, applying such openly restrictive devices as import quotas, exchange controls, or discriminatory tariffs. Furthermore, when the state-trading enterprises, as is often the case, has a monopoly of the country's export or import trade in a given product, it may reduce or completely cut off imports or exports by a simple administrative decision not to buy or sell.

The Preparatory Committee, therefore, had the task of circumscribing the use of subsidies and of bringing state trading within the pattern established elsewhere in the charter for private-trading operations, so that state-trading enterprises could not be used in such a way as to nullify the obligations accepted by governments with respect to their private trade.

Subsidies

Briefly, the Geneva draft of chapter IV, section C, on subsidies (chapter V, section D, of the London and New York drafts) provides that where a member maintains any subsidy that would have the effect of increasing its exports or decreasing its Department of State Bulletin
imports it will report the fact to the International Trade Organization and, where the subsidy prejudices the interests of another member, will consult with that member in an effort to avoid serious conflict. Furthermore, after two years from the date the charter is adopted, it will not, except in certain carefully prescribed cases, subsidize exports or maintain any other system which has the effect of dumping goods abroad at less than the domestic price.

These basic rules are qualified by certain necessary exceptions. The International Trade Organization is authorized to exempt a member from the ban on export subsidies in the case of a particular product, under certain circumstances. If a nonmember, who is not bound by the same provisions as members, should maintain a subsidy which reduces the markets of a member, that member may grant a subsidy to its own producers or exporters to offset the effect on it of the nonmember's subsidy. Another provision allows for incidental subsidies that may temporarily result from the operation of a price-stabilization scheme in a primary commodity.

Primary commodities are also the subject of another important exception to the outright prohibition of export subsidies. It will be recalled that the draft charter elsewhere makes recognition of the peculiar economic difficulties which often exist in the case of primary commodities (especially agricultural commodities), by providing that where such a commodity is in world surplus and where certain other carefully prescribed conditions are met, the general rules against the use of controls in world trade may be suspended if member governments enter into a commodity agreement to stabilize trade or prices. The subsidy section, therefore, provides that a member which finds it is unable to comply with the rule against export subsidies may, in the case of a primary commodity meeting the requirements for an international commodity agreement, ask that the procedures for establishing such an agreement be initiated. If an agreement is concluded and operates successfully, the member's difficulties could be solved as part of an international stabilization scheme. On the other hand, if it becomes evident that an agreement cannot be concluded or operated successfully, the International Trade Organization may in its discretion exempt the member from the prohibition on the use of export subsidies. Incidentally, the terms of this provision inspired the only reservation to the draft charter that was made by the United States Delegation. The objection of the United States was that the procedures required of a member using an export subsidy are more restrictive than those which apply to members using a different form of subsidy, even where the latter may have the same effect on world trade.

State Trading

Section D of chapter IV of the Geneva draft charter (chapter V, section E, of the London and New York drafts) is entitled "State Trading". The two articles of this section actually cover the operations of any enterprise, even if privately owned, which because of governmental aid or special franchise is enabled to operate without effective competition.

Article 30 provides that the principle of non-discrimination should apply to state-fostered enterprises, just as the most-favored-nation principle is applied to measures taken by governments themselves to direct the flow of trade. More specifically, it interprets this to mean that the enterprise must, so far as its purchases or sales affecting exports or imports are concerned, act according to commercial considerations. At Geneva this obligation was made still more explicit by the additional provision that the enterprises of other members must be given an opportunity to compete for the international business of the state-trading enterprise "in accordance with customary business practice". A parallel obligation was added under which members agree not to prevent enterprises, including competitive private enterprises, from acting according to commercial considerations.

Finally, the purchases of members for their own governmental use are exempted from the provisions of the article, thus leaving a government free to follow any policy it chooses in its purchases for its armed forces, for strategic stock piles, or for similar purposes.

The most important change made in article 30 at Geneva was the abandonment of any attempt to define a "state enterprise" and the imposition on the member government itself of unqualified responsibility for the behavior of any enterprise to which it has granted an exclusive or special privilege. Under the revised article no state can avoid
its provisions by arguing that the enterprise is not state owned or operated.

Article 30 is concerned entirely with the question of discrimination and is not directed toward the level of protection that can be afforded to domestic enterprises by the operation of a state-trading monopoly. The latter is the function of article 31, which accomplishes the dual purpose of subjecting these monopolies to limitations on the use of quantitative restrictions, parallel with the limitations applied elsewhere in the charter, and of requiring that the remaining protection against imports, or barriers to exports, shall be subject to negotiation among members, as in the case of the obligation to negotiate export and import duties affecting competitive private trade.

The logic of article 31 is to provide in the case of state monopolies the closest possible parallel to the obligations found elsewhere in the commercial policy chapter—namely, to require the elimination of all forms of quantitative restriction and then, having isolated the permitted forms of protection, to make that protection subject to negotiation for its limitation and reduction.

In the case of private trade the permitted form of protection is the import duty. In the case of a state monopoly it is an almost exactly parallel right to place a resale price on the imported commodity higher than the import price plus costs and reasonable profit. Just as any member country is required to publish its maximum import duties, a country maintaining a state monopoly is required to declare the maximum protective margin that it will charge when it resells the imported product in its domestic market. It then has the same obligation to negotiate the height of that protection with other members as if the protection were actually an import duty. In fact, the extent of the parallel has been emphasized in the latest draft of the article by using the words "import duty" to refer to this maximum margin of protection. And, under the terms of the article, the protection could actually be accorded in the form of an import duty, in which case no additional protection by means of a protective price margin would be permitted. This will be the situation wherever a member has negotiated the level of its tariffs without specific reference to the operations of any monopoly it may maintain. Thus the tariff negotiations which have taken place at Geneva will have established simultaneously the maximum protection that may be afforded to domestic producers of the commodities scheduled in the resultant agreement, whatever form that protection may take.

If we again look at private trade for comparative purposes, it is clear that once a country has established a maximum import duty on a product and has agreed to give up any form of quantitative restriction, the only possible limit to the quantity of imports is the amount that its domestic purchasers will buy at the price resulting from the addition of the duty to the world price. Article 31 brings about the same result in the case of a state monopoly by providing that, at the price resulting from the established maximum markup, the monopoly must meet the full domestic demand.

One other provision of article 31 requires a brief mention. There are cases where a raw material is imported and then further processed or, as is typical with tobacco, mixed. Under these circumstances it is sometimes impossible to determine the actual margin between the import price and the final selling price to consumers. To take care of these cases or of others where the interested members may prefer to negotiate on something other than the establishment of a maximum price margin, the article permits any other form of negotiation that may be satisfactory to the members concerned. Although the nature of these alternative negotiations is not specified, they could, for example, result in the determination of the maximum difference between the price paid by the monopoly for imports and the price paid for a competitive domestic product. Or they might, in some cases, result in a guaranty by the importing country of a certain volume of imports, provided that any such guaranty must, under the terms of article 31, be applied without discrimination as among the various members who export the product.

This provision for flexibility of negotiation was one of the more important of the changes made in article 31 at Geneva. But other changes, particularly the requirement that the maximum margin of protection be published, completed the process of equalizing the obligations of members maintaining state-trading enterprises and of those who depend entirely upon private trade. In short, a formula was found and agreed upon under which state trading can be fitted into a liberal system of world commerce, patterned on the traditional model of private competition.
A new and significant milestone was passed in hemispheric cultural relations and in library and bibliographic matters with the convocation of the Assembly of Librarians of the Americas in Washington from May 12 to June 6, 1947. This Assembly was organized by the Library of Congress and the Department of State as part of the program of the Interdepartmental Committee on Scientific and Cultural Cooperation. The governments of the other American republics, the American Library Association, and the Pan American Union gave full cooperation. Librarians from Puerto Rico, Canada, and the Philippines were sent by their institutions or organizations to join those from the other American republics, and from the United States. In many cases they represented committees of the American Library Association and other professional organizations.

The Assembly was inaugurated by the Librarian of Congress, Luther H. Evans, on May 12 “to foster library development in the Americas and to stimulate library relations among the countries of the Americas, within the framework of world library development, and in the interest of worldwide Hispanic studies.” In order to draw up a blueprint for carrying out these objectives, the Assembly in its four weeks’ deliberations took up each of the basic problems facing Latin American librarians and delved into the many aspects of international library cooperation. General sessions were held to provide an opportunity for both Latin American and North American delegates to discuss freely the general topics of the role of the library in modern society and how library cooperation can be accomplished in the Americas, the resources necessary to make the library an influential and competent social institution, the technical developments in library organization and
administration, and the broader aspects of modern library service, such as education for librarianship, extension of library service, and the development of international library relations. Seminars allowing more time for consultation and discussion were held for topics requiring expert or technical advice and knowledge, such as library architecture, union catalogs, children’s libraries, photographic reproduction, and library binding and preservation.

Five working committees were organized to deal with specific problems that have been facing Latin American librarians for some time or have hampered essential inter-American library cooperation: education for librarianship; technical processes; acquisitions; bibliography; and library services and development. An Inter-American Library Relations Committee considered the problems of an inter-American or international nature posed by the five working committees. A Findings Committee coordinated the resolutions of the various committees and then presented them to the Assembly-at-large. An Executive Committee to direct the activities of the Assembly was chosen from among the delegates.

Assembly Officers

Luther H. Evans was elected chairman of the Assembly. The officers of the above-mentioned committees, usually with co-chairmen, were as follows:

I. Education for Librarianship:
   Carlos Víctor Penna, Argentina; and Arthur E. Gropp, Director of the Artigas-Washington Library in Montevideo, Uruguay

II. Technical Processes:
   Jorge Aguayo, Cuba; and Amelia Krieg, Head of the Catalog Department, University of Washington, Seattle

III. Acquisitions:
   Héctor Fuenzalida, Chile; and Phillips Temple, Director of the Library, Georgetown University, Washington, D.C.

IV. Bibliography:
   Augusto Raúl Cortazar, Argentina; and Miron Burgin, Editor of the Handbook of Latin American Studies, Library of Congress, Washington, D.C.

V. Library Services and Development:
   Galileo Patiño, Panama; and Mrs. Helen Steinbarger, Consultant in Adult Education, Public Library of the District of Columbia, Washington, D.C.

VI. Executive Committee:
   Rubens Borba de Moraes, Director of the National Library of Brazil; and Jorge Basadre, Director of the National Library of Peru

VII. Inter-American Library Relations:
   Rubens Borba de Moraes, Director of the National Library of Brazil; and Janeiro Brooks, Librarian of the Columbus Memorial Library, Pan American Union, Washington, D.C.

VIII. Findings Committee:

General Sessions of the Assembly

Discussion at general sessions was directed by a Latin American moderator and a North American assistant moderator. An equal number of Latin American and North American librarians or specialists formed a panel discussion for each topic.

The Latin American librarians agreed that they are faced with two fundamental difficulties in making their libraries live social institutions for the modern world. One difficulty is the lack of properly trained professional personnel, a problem involving education and training and the formation of library associations. It is one which impedes proper progress in the organization of national library resources and in technical and bibliographic development, as well as in the service that the library should render. The second difficulty is the apathetic or unawakened attitude both of the public and of government officials to the advantages of adequate library service, with its ensuing lack of financial and cultural support for library maintenance and development. This second difficulty is contingent upon the first—the absence of well-trained and well-organized professional personnel. Children’s-library development, rural library extension and service to special types of readers are hampered.

The principal obstacles for providing a well-rounded collection of book and non-book materials for libraries throughout the Americas were found to be: (1) lack of sufficient financial support; (2) customs, monetary, copyright, and postal impediments to the free flow of books and other publications among the countries of the Western Hemisphere; (3) inaccessibility of and inconvenience encountered in attempting to secure government publications and periodical subscriptions; (4) need for better exchange relations and agree-
ments between libraries of the Americas; (5) inadequate trade and subject bibliographies, especially of Latin American publications; and (6) insufficient knowledge of the library resources of the Americas, due in part to lack of bibliographies and in part to poor organization of book collections.

Although many of the more progressive libraries, where trained technical personnel have been available, are well-organized, well-cataloged, and well-classified, many libraries in Latin America have until recent years been inadequately organized for the maximum efficiency to the reader. The paucity of library tools of a technical nature in the Spanish and Portuguese languages has hindered the progress that might otherwise have been made during the last few years. The Assembly agreed that the Latin American problem concerning library organization can be met by the concerted effort of the professional librarians in compiling the necessary tools, which would in turn lessen the existing difficulty in the technical training of librarians.

During the general session devoted to education for librarianship, the committee concerned reported to the Assembly on the principles of library education as follows: (1) the establishment of new library schools and improvement in the curricula of existing ones; (2) the requirements of Type I schools in terms of prerequisites, subjects, and class hours; (3) professional library degrees; (4) exchange of students; and (5) formation of an association of library schools and library-science professors.

The chief obstacles to library extension into rural and factory areas are insufficient funds, lack of personnel and equipment, and poor communication routes. It was noted, nonetheless, that much is currently being done by Latin American libraries in cooperating with literacy campaigns, agricultural fairs, and package libraries.

The Assembly, which had begun its deliberation with a concern for the problems facing Latin American libraries, closed its sessions with the broader consideration of international library relations. It received reports on the library and bibliographic programs of UNESCO, the Department of State, the International Federation of Library Associations, the American Library Association, and other professional library groups, and from the Pan American Union. The meeting of the Assembly was in itself an optimistic indication and a positive proof that inter-American library cooperation is practicable.

Seminars

The experience of North American specialists in subject and technical fields was drawn upon by the seminars scheduled during the Assembly. For the seminar on library architecture, the architecture students of Walter E. Bogner of Harvard University prepared plans and a table model for a proposed library and bibliographic center to be constructed in Buenos Aires. Francis O. Keally, library architect from New York, gave a descriptive talk with slides on the reconstruction of the Brooklyn Public Library. Alfred Jaros, Jr., consulting electrical engineer to Mr. Keally, discussed heating and air-conditioning of libraries in the various climatic zones. Joseph L. Wheeler, librarian emeritus of the Enoch Pratt Library and author of several books on library building and planning, talked on functional needs in library architecture.

Mary Angela Bennett, Supervisor of the Binding and Photography Department, Columbia University Libraries, spoke about photographic equipment for library use. Dr. Bennett also took part in the seminar on “Bookbinding, Care and Preservation”. This topic also attracted to the meeting of the seminar John Adams Lowe, Director of the Rochester Public Library and Chairman of the A.L.A. Bookbinding Committee, and Miss Frieda Boessel, Superintendent of Binding at the Enoch Pratt Free Library.

Mrs. Mary Alexander, of the Brooklyn Public Library and formerly children’s librarian of the Benjamin Franklin Library in Mexico City, served as assistant moderator for the seminar on library work with children and young people. Miss Nora E. Beust, specialist in school and children’s libraries in the U.S. Office of Education, and Miss M. Bernice Wiese, acting supervisor of school libraries for the Baltimore Department of Education, also took part in the seminar.

Committee Activities

The general sessions and seminars provided opportunities for the librarians of the Americas to exchange opinions and knowledge and to broaden their professional acquaintances. The main work
of the Assembly and the immediate and concrete results were accomplished by the committees. In addition to ironing out many problems, which could best be done by group consultation, they developed and presented to the Assembly-at-large 57 resolutions for consideration as the findings of the Assembly.

The Committee on Education for Librarianship examined the various schools and courses offered in library service throughout Latin America and arrived at definite norms for prerequisites and curricula. To assure its future work, the Committee proposed the formation of a Latin American association of library-service schools and professors.

The Committee on Technical Processes embarked on a number of projects which necessitated several subcommittees. The subcommittee on Brazilian-author names studied the problem of catalog entry of author names of Brazilian and Portuguese origin and the customary practices in the several countries to determine what course should be recommended for the Library of Congress and elsewhere throughout the Americas. It was agreed that in general the second surname, usually the paternal one, should be the entry name. The subcommittee on subject headings studied as thoroughly as possible many compilations of subject headings in Spanish and agreed that all of these were inadequate. In order to perfect a definitive list that would meet the needs of Latin American librarians, it was recommended that a permanent subcommittee be formed with a secretariat to receive and compile definite recommendations for subject headings.

The subcommittee on classification studied and approved certain history classification tables for Latin American countries which had been compiled under the direction of the Dewey Decimal Classification Editorial Office for inclusion in the new official edition of Decimal Classification. It recommended the extension of the Assembly subcommittee to compile tables for the few remaining countries where tables are still lacking. It recommended the use of the Dewey decimal classification in libraries throughout Latin America and urged the translation into Spanish of the official edition when it is published. To continue the work on technical processes begun during the Assembly, the committee proposed to the Assembly-at-large the establishment of a Latin American committee on technical processes and a joint committee of the Americas on cataloging rules.

The Acquisitions Committee endeavored to resolve several problems regarding the purchase and exchange of books, maps, government publications, and periodical subscriptions. It studied postal and customs regulations, copyright restrictions, and problems involved in payment of purchases in other countries. It recommended several courses of action to improve the situation and supported a proposal to use the American Book Center as a central exchange agency. To continue the work, it recommended a permanent inter-American acquisitions committee with a subcommittee to compile a selected list of dealers in the inter-American book, periodical, and map trade.

The Bibliography Committee concerned itself chiefly with the promotion of bibliographic work in the national field, subject field, and in library literature. It resolved to encourage the United States Department of State to continue its valuable work of translating into Spanish, French, and Portuguese important books by United States authors. It set up certain norms for bibliographic entry which it hoped would be widely followed in Latin American bibliographic endeavors. For the compilation of current as well as retrospective bibliography on librarianship, it proposed the appointment of a Latin American commission on library-science bibliography.

The Committee on Library Services and Development considered the various programs throughout the Americas for extending libraries' services, promoting children's libraries, providing rural library services and service to special readers, such as industrial workers, and carrying on book week and other publicity campaigns. It emphasized the need for public support for libraries and the formation of "Friends of Libraries" groups. It recommended the establishment of central regional libraries and legislation to support adequate library service.

The Committee on Inter-American Library Relations advocated administrative and financial autonomy for national libraries. For better exchange relations among libraries of the Americas, it proposed to the Pan American Union that an exchange manual be issued.

In order to plan for a second Assembly, to be
held possibly in 1949, and to supervise the work of the long-range projects begun during the conference in Washington, a Preparatory Commission for the Second Assembly of Librarians of the Americas was formed. An Executive Committee was named to carry forward the planning for the Second Assembly.

Other Activities in Connection With the Assembly

In addition to the formal sessions of the Assembly, delegates participated in supplemental activities which acquainted them with some of the libraries and other cultural institutions in the United States. The Pan American Union postponed the opening of its annual exhibit of Latin American book production until May 11, so the delegates might attend. It also entertained the delegates in the Aztec Garden of the Pan American Union. A literary evening was spent at the Library of Congress, at which the Spanish poet, Juan Ramón Jiménez, gave a talk; Gabriela Mistral read a paper; and Karl Shapiro, Consultant in Poetry to the Library of Congress, read several of his poems. A concert was dedicated to the delegates by the Budapest String Quartet and accompanying artists. One day was spent visiting the Enoch Pratt Free Library in Baltimore.


For three weeks the delegates toured around the United States, inspecting libraries and other educational institutions and meeting and discussing problems with officials of these institutions. Visits were paid to the Yale University Library, the John Carter Brown Library in Providence, the Boston Public Library, Simmons College, the libraries of the Massachusetts Institute of Technology, the Harvard Libraries, and the Houghton Library. The program in Boston was planned by the Pan American Society of New England, which also entertained in honor of the visiting delegates. Delegates visited the Rochester Public Library, the Buffalo Public Library, the Chicago Public Library, the John Crerar and Newberry Libraries, and the libraries of the University of Chicago, Loyola University, and Northwestern University. In Chicago, the American Library Association held a reception for the delegates, attended also by members of the Pan American Council of Chicago and consular representatives.

The group of visiting delegates proceeded from Chicago in two groups. The first group visited the University of Minnesota and the public and special libraries in Minneapolis and St. Paul; the Public Library and Joslyn Memorial in Omaha; the Denver University Library, the Public Library and Rocky Mountain Bibliographical Center in Denver; and local libraries in Salt Lake City. The second group visited the Public Library, Washington University libraries, and the newly organized St. Louis County Library in St. Louis. The Staff Association of the Kansas City Public Library met with the group in that city. At Albuquerque, the group inspected the library of the University of New Mexico; at Santa Fe they were greeted by the Mayor and the Governor of New Mexico, and met with many writers and specialists in Latin American history and culture; other libraries and historical and archeological museums in New Mexico were also visited. In California, the Los Angeles Public Library, the Huntington Library and Gallery, and other cultural institutions were visited. Both groups of travelers were met cordially by public and private officials and organizations on their journeys; several local pan-American societies entertained in their honor. En route, many of the scenic and historic spots of the United States were seen.

The final phase of the Assembly of Librarians began on June 29 in San Francisco where the delegates attended the annual meeting of the American Library Association. They were cordially received by local librarians and officers of the Association and were formally presented at the opening session of the A.L.A. Many of the delegates were invited to talk at special sessions or committee meetings during the week.

The “Blueprint for Tomorrow”

The Assembly of Librarians of the Americas officially came to a close in San Francisco on July 5, 1947. However, the foundations for permanent structure were laid before the Assembly adjourned in Washington on June 6. In addition to the Executive Committee of the Preparatory Commission
for a Second Assembly, other permanent or semi-permanent committees were created:

1. **Latin American Association of Schools of Library Service**
   Carlos Víctor Penna, Argentina, Secretary General

2. **Latin American Committee on Technical Processes**
   Caribbean Area: Gonzalo Veláquez (Puerto Rico)
   Central America and Mexico: María Teresa Chávez (Mexico)
   Brazil: María Luisa Monteiro (Brazil)
   Northern South America: Cecilia Jiménez (Colombia)
   Southern South America: Carlos Víctor Penna (Argentina), Chairman

3. **Joint Committee of Librarians of the Americas on Cataloging Rules.**
   (To be formed of representatives of the above committee and representatives of the A. L. A. Division of Cataloging and Classification from both the United States and Canada.)

4. **Inter-American Committee on Classification**
   Héctor Fuenzalida (Chile), Chairman

5. **Subcommittee on Classification for Roman Law**
   Jorge Basadre (Peru), Chairman

6. **Latin American Commission on Library Service Bibliography**
   Augusto Raúl Cortazar (Argentina), Secretary General

7. **Inter-American Acquisitions Committee**
   Mrs. Edith C. Wise (Library of Congress), Chairman

8. **Subcommittee To Compile a Selected List of Dealers in the Inter-American Book, Periodical, and Map Trade**

These various committees and subcommittees have already begun to function.

The Assembly of Librarians of the Americas will stand out as an event of historic significance in inter-American library exchange and cooperation. It will exert a great influence on a generation of workers in the library field throughout the Americas. The professional benefits received and acquaintances made at the Assembly will continue to generate cooperative exchanges among librarians, and the groundwork was successfully laid for continued consultation, exchange, and improvement of library services and achievements among the American republics.

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**Hemisphere Development of Social Services**

*by T. J. Woofter*

Health, security, and family welfare are universal human needs. Cooperation in the satisfaction of these basic needs is cooperation that can be easily understood by everybody. The American republics are, therefore, as eager to cooperate in the organization of programs for ministering to human and cultural needs as they are in the organization of technical programs concerned with more material affairs. This was recognized by President Truman in his message of May 23, 1947. Although the message was mainly concerned with proposed legislation for military collaboration among the nations of the Western Hemisphere, the President stated that:

"... it is the policy of this Government to encourage the establishment of sound economic conditions in the other American republics which will contribute to the improvement of living standards and the advancement of social and cultural welfare. Such conditions are a prerequisite to international peace and security."

There are in the other American republics expanding groups of professional men who are becoming more interested in the exchange of ideas with their North American colleagues. The fields of medicine, education, public welfare, anthropology, sociology, and economics are attracting more and more leaders and are being enriched by the exchange of students and professors who come to U.S. colleges. These professional groups hitherto have been inclined to look to Europe for their training and collaboration. Now, with the European continent deeply absorbed in economic survival and with the facilities of science and education devastated by war, they are forced to turn more and more to this country for assistance. This presents to North American professional men an
obligation and an opportunity that we cannot afford to shirk.

The ultimate success of inter-American organizations is largely dependent upon the extent to which their programs can be translated into concrete action. Most of these organizations are not staffed to carry out such programs. They are concerned with formulation of policy and determination of the best ways and means of accomplishing mutually beneficial results. To be effective these policies must reach down to the citizens of all of the countries. In order to accomplish the objectives, personnel must be trained, scientific literature exchanged, and organizations strengthened. Some of the principal inter-American organizations in the social field are the Inter-American Statistical Institute, the Institute of Social Anthropology, the American International Institute for the Protection of Childhood, the Inter-American Committee on Social Security, the Pan American Sanitary Bureau, and the Inter-American Economic and Social Council.

These organizations are hemisphere counterparts of the specialized agencies associated with the Economic and Social Council of the United Nations. As the machinery of the United Nations becomes stronger and as its policies are developed, the hemisphere organizations should provide regional agencies for carrying out United Nations programs. Thus, scientific and cultural cooperation between the governments concerned will be integrated in the larger setting of world policies of cooperation and at the same time will have regional mechanisms for more intensive development of mutual respect and mutual understanding.

The types of skills which are available for U.S. cooperation in carrying out inter-American social programs are varied. They are located in a number of different bureaus of the Federal Government, which act as administrative agencies for carrying out the foreign policies of the Department of State.

With the view of promoting mutual understanding, studies of contemporary culture have been made in a number of countries under the auspices of the Institute of Social Anthropology of the Smithsonian Institution. These are genuinely cooperative enterprises in as much as the staffs are composed of nationals of a number of countries. They are cultivating a common understanding of the cultures of the Hemisphere and exchanging scientific techniques.

Problems of land settlement involve much more than the mere determination of the availability of land for agricultural purposes. Along with the question of land allocations comes the necessity to build rural communities to deal with problems of tenancy and farm labor and to provide for the development of institutions in the newly colonized areas. Under the sponsorship of the Department of Agriculture, some of the ablest rural sociologists in the country are detailed from state colleges of agriculture to advise with ministries of agriculture on these relationships of men to land. They bring back with them a live knowledge of characteristics and actual operation of rural society in Latin America, which will give their students an accurate insight into the problems of the Hemisphere. These missions, likewise, are cooperative in every sense, since the American expert works with nationals in the country to which he is detailed.

The development of industry creates many pressing problems of protection for the workers. In the Department of Labor, the Division of Labor Standards and the Women's Bureau are extending valuable technical assistance in this field. Safety-inspection classes have been organized and training materials prepared; cooperation in safety programs has been extended not only to governmental organizations but also to management, vocational schools, and schools of engineering.

Elimination of child labor and the control of youth employment are fundamental steps in improving working conditions and increasing industrial efficiency. Child labor specialists have extended assistance in the development of this program.

Much of the new industry in these countries is of a type which employs a considerable number of women. Likewise, in some of the countries industrial homework is developing, and it is this type of industrial organization that tends especially to exploit women in their homes. It is therefore essential to extend the basic improvements necessary for health, safety, and greater protection and to suggest methods of enforcing laws and enlisting the cooperation of management in the improvement of working conditions.

In the Federal Security Agency, programs of
cooperation are under way or contemplated in six divisions.

Social science is dependent upon statistics for accurate measurement of the needs of people and of the progress made in meeting these needs. For this reason preparations are under way for a 1950 census of the Hemisphere. The National Office of Vital Statistics, of the U.S. Public Health Service, is participating in this work along with other statistical agencies of the Government. The National Office of Vital Statistics is endeavoring to cooperate with every Latin American country to develop an accurate system of registration of births and deaths by the time the 1950 census is taken. This work is of basic importance, because the projection of the enumerated population beyond the date of the census is dependent upon accurate records of subsequent births and deaths.

Life tables are essential for accurate insurance calculations, whether they are for commercial operations or for social insurance. This phase of vital-statistics analysis is greatly in need of development, since only one or two Latin American countries have complete life tables with a few others having partial tables based on death rates in cities only. Likewise, the location of special health problems and the measurement of their intensity are dependent upon the accurate registration and analysis of vital statistics. Neither are the administrative uses of the birth and death certificates to be overlooked. In Venezuela, for instance, every effort is made to have a copy of the birth certificate placed immediately in the hands of the maternal and child health authorities in order that they may visit the family to see that full instruction in maternal and child hygiene is given. In the rainy season such visits to the rural areas become quite difficult, but the problems of accurate registration and prompt transportation are being vigorously attacked.

Since mutual understanding is basic to successful cooperation, the collaboration of school officials is also essential. The U.S. Office of Education has, for a number of years, provided broad programs, such as studies and demonstrations of methods of teaching English and the organization of educational systems in Latin America. These programs not only assist in bringing the most progressive developments of education in the United States to Latin America but also provide materials for our teachers colleges and courses in international relations.

Progress in the organization of social security systems is proceeding rather rapidly throughout the Hemisphere. The system of some of the Latin American countries, Chile in particular, antedates the inauguration of social security in the United States. Most of the social security systems to the south have been developed with the advice of the International Labor Office and have, consequently, followed somewhat different trends from the movement in the United States. Particularly do the South American systems emphasize medical care, whereas to date such provisions have not been included in the social security system of the United States. The American republics, therefore, have much to learn from the exchange of ideas and techniques, and this exchange is being organized by the Social Security Administration. Following the meetings of the Inter-American Committee on Social Security, the preliminary detail of experts from this country, and conferences of social security officials from Latin American countries, it is planned to extend the program of the detail of social security experts in an advisory capacity as rapidly as funds and personnel will permit.

The Office of Vocational Rehabilitation is now planning a program with the Interdepartmental Committee on Scientific and Cultural Cooperation, relating to our system of removing occupational handicaps and restoring employability to disabled persons. Advice is being sought on the manufacture of devices for overcoming physical disability and on methods of vocational training for the handicapped. Guatemala has recently installed a workmen’s compensation system and is particularly interested in the rehabilitation of the industrially injured.

From the very beginning of the inter-American program in specific activities, the care and protection of children has been recognized as an essential part of that program. Maternal and child health work includes prenatal care, special studies of rheumatic fever, midwife training, consultation in problems of nutrition and mental hygiene, and other safeguards to the health of young people. Other phases of child welfare have also been emphasized; in Brazil, for instance, the National Children’s Agency has brought 22 young women from 10 states in the interior for training as child
welfare aides, and they will return as leaders to their local communities. The U.S. Children's Bureau has likewise been influential in assisting several schools of social work in the training of child welfare workers and leaders.

One of the first active inter-American organizations was the Pan American Sanitary Bureau, which has a long history of effective cooperation in the protection of health. The U.S. Public Health Service has continuously cooperated with their programs and has reinforced their activities by the detail of public health officers. The assistance of the Interdepartmental Committee on Scientific and Cultural Cooperation has enabled the Public Health Service to increase materially the effectiveness of this program.

The United States–Mexican border sanitary program has been most fruitful in the field of cooperation between these countries. It includes the promotion of direct contact between state and local health officials along the border, for the control of venereal disease, tuberculosis, malaria, and other communicable diseases; for health education and the organization of community councils; and for exchange of information on water supply.

The public health service program in other countries, likewise, includes technical advice in combating tuberculosis, bubonic plague, venereal disease, malaria, and other insect-borne diseases. The sanitary engineers have made a number of studies for the improvement of water supplies and milk-distribution systems. They have also cooperated with inter-American airlines in the protection of passengers and have trained ground force personnel in sanitary practices. The development of thoroughgoing environmental sanitation is not only important in the already settled areas, but it is also the first essential for the colonization of many sections of Latin America which are now almost uninhabitable because of health hazards. Consultation in public health nursing has been extended to a number of countries in order to raise the standards of the nursing profession and the efficiency of training facilities. The training of nurses and doctors and the provision of health facilities is also a part of cooperation in the field of health. However, the small size of the program to date has hardly made an impression on the need.

In all of these programs collaboration takes the form of the detail of experts from this country to work with government departments and private organizations and also extends to the provision of facilities for nationals of other countries to observe social and economic conditions and programs for improvement in the United States. Likewise, a considerable proportion of the Latin American students in our colleges are enrolled in courses in medicine, public health, and social science.

Cooperation in the varied humanitarian fields which have been described in this article provides a necessary balance between cultural and scientific activity. Cooperation in promoting better ways of living is an effective antidote to a common assertion that the United States is wholly materialistic in its interests.
The Commission on Narcotic Drugs during its second session considered the situation created by the development of new synthetic drugs which may have habit-forming characteristics, particularly the drug amidone. This drug, according to experts, is a drug of addiction just as dangerous as morphine. The Commission agreed to recommend to the Economic and Social Council that the Secretary-General should be instructed to draft a protocol in accordance with principles approved by the Commission and to circularize the draft to all governments concerned, for their early observations. These steps are calculated to bring amidone under international control.

In response to the request of the Government of Peru, the Commission recommended that a commission of inquiry be sent to Peru and to such other countries concerned as may give their approval, in order to make a survey of the effects of coca chewing.

The Commission also studied the trends in the illicit traffic, noting that Mexico, Iran, India, and Turkey were sources of clandestine supply of opium; agreed that there should be no exports from, or manufacture or production of, narcotics in Japan; recommended that countries which have failed to submit annual reports be reminded of their obligation to do so; approved of a plan for preparing a digest of the laws of all countries on narcotic drugs; requested an appraisal of the world medical needs in terms of raw opium; gave approval to a draft questionnaire on the limitation and control of the cultivation and harvesting of the coca leaf; and noted with gratification the excellent results following the adoption of the policy of total prohibition of the smoking of opium in the Far Eastern territories of Great Britain, France, Portugal, and the Netherlands.

The action of the Commission on the principal topics of the agenda is set forth below.

**Measures To Bring Under International Control Narcotic Drugs Not Covered by Conventions at Present in Force**

On the subject of the new synthetic drugs, the Commission heard two experts in the United States Public Health Service, who found that one of these drugs, amidone, produces a morphine-like subjective reaction, euphoria, tolerance, and withdrawal symptoms and that it is a dangerous drug of addiction. It was also stated that amidone could be manufactured easily at low cost and that one single factory could supply the entire needs of the world. The representative of the United States warned that amidone would soon be licensed in the United States for manufacture, that it could be manufactured shortly in many other countries, and that if effective steps were not taken quickly to bring this and other similar drugs under control the ground gained in the long struggle to control narcotics might be lost. The Commission, having heard these reports, urged that the strictest safeguards be devised as soon as possible for bringing these drugs under international control. It was of the opinion that manufacture of and trade in these synthetic drugs could not be limited and controlled in accordance with the provisions of the 1931 convention because of the fact that the application of article 11 of the convention, containing provisions for bringing new drugs under this convention, is limited to the phenanthrone alkaloids of opium and the ecgonine alkaloids of the coca leaf. Neither are the provisions of the 1925 convention applicable because that convention, aim-
ing mainly at controlling the trade in drugs to which it applies, does not directly limit their manufacture and trade. The Commission agreed that the conclusion of a separate international instrument to cover new drugs which do not fall under the 1931 Convention will have distinct advantages over the procedure of amending existing conventions. The Commission approved a memorandum prepared by the Secretariat, containing the provisions which might be included in the new instrument, reading in part as follows:

The adoption of a new international instrument to cover new drugs which do not fall under the 1931 Convention would have certain advantages over the procedure of amending existing Conventions provided that the new instrument:

(i) Covers new drugs liable to produce addiction which do not fall under the 1931 Convention;
(ii) Applies to those drugs the system of control instituted under the 1931 Convention (i.e. limitation and control of the manufacture of and trade in these drugs on the basis of the estimates system created under the 1931 Convention and including the enforcement measures under its Article 14);
(iii) Contains provisions concerning its coming into force analogous to those adopted in respect of the 1931 Convention (Article 30).

It is considered that the following provisions should be included in the new instrument to achieve the aims set out under (i) and (iii) above:

1. Any party to the new instrument which considers that a drug which is or may be used for medical and scientific purposes and to which the 1931 Convention does not apply, is liable to similar abuse as the drugs specified in Article I, paragraph 2 of the 1931 Convention (i.e. that it is capable of producing addiction or convertible into a drug capable of producing addiction), shall send a notification to that effect to the Secretary-General of the United Nations who shall transmit it to the other parties to the new instrument, to the Commission on Narcotic Drugs and to the World Health Organization.
2. The Commission on Narcotic Drugs shall consider as soon as possible whether the measures applicable to drugs in Group I of Article I, paragraph 2 of the 1931 Convention should be provisionally applied to the drug in question, pending receipt of the findings of the World Health Organization referred to in paragraph 3 below.

If the Commission on Narcotic Drugs decides that such measures should be applied to the drug in question, a recommendation of the Commission to that effect shall be communicated without delay by the Secretary General of the United Nations to the Parties to this instrument, and the said measures shall apply as between parties which have accepted this recommendation.

3. In the event of the World Health Organization finding that the drug in question is liable to similar abuse as the drugs specified in Article I, paragraph 2 of the 1931 Convention, this Organization shall decide whether this drug shall fall:

(a) Under the regime laid down in the 1931 Convention for drugs specified in Article I, paragraph 2, Group I, of this Convention, or
(b) Under the regime laid down in this Convention for the drugs specified in Article I, paragraph 2, Group II, of this Convention.

4. The Secretary General of the United Nations shall notify any finding or decision of the World Health Organization to all States Members of the United Nations and non-Member States parties to the new instrument.
5. Upon receipt of this notification the parties to the new instrument shall apply to the drug in question the appropriate regime of the 1931 Convention in accordance with the decision of the World Health Organization, referred to in paragraph 3 above.
6. The provisions of this instrument shall not apply to Raw Opium, Medicinal Opium, Coca Leaf or Indian Hemp as defined in Article 1 of the 1925 Convention, or Prepared Opium as defined in Chapter II of the 1912 Convention.
7. Any recommendations, findings, and decisions referred to in paragraphs 2 and 3 above may be revised in the light of further experience in accordance with the procedure outlined in paragraphs 1 to 5 above.
8. The new instrument shall come into force sixty days after the Secretary General of the United Nations has received the ratifications or accessions of twenty-five States including any five of the following: China, Czechoslovakia, France, Netherlands, Poland, Switzerland, Turkey, United Kingdom, United States of America, Union of Soviet Socialist Republics, Yugoslavia.

The Commission adopted the following resolution:

The Commission on Narcotic Drugs
HAVING NOTED the urgent problem arising out of the development of new synthetic drugs capable of producing addiction, which are not covered by, and cannot at present be brought under the 1931 Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, and the serious dangers which may result if these drugs are not brought under control
HAVING RESOLVED that it is urgent to take action with respect to limiting the manufacture and regulating the distribution of these drugs
CONSIDERING that this can best be effected by a new Protocol which would provide for bringing these drugs under the full international control of the 1931 Convention
APPROVED the Memorandum E/CN.7/80/Rev.2 prepared by the Secretariat on this matter including the outline of the provisions to be incorporated in a new Protocol, as decided by the Commission at its meetings on 25 July and 1 August

Recommends to the Economic and Social Council that the Secretariat should be instructed to prepare a draft Protocol in accordance with the Memorandum E/CN.7/80/Rev.2 and to circulate the draft to all governments concerned for their early observations, these observations to be considered by the Commission at its next session, with a view to the said Protocol being brought into force at the earliest possible moment.

On August 13, 1947, the Economic and Social Council at its fifth session approved the recommendation of the Commission on Narcotic Drugs.

**Request by Peruvian Government for Field Survey of Effects of Chewing Coca Leaf**

The Government of Peru requested the Commission to consider the possibility of organizing a commission to study the effects of coca-leaf chewing and presented a recommendation reading:

Recommendation to the Narcotics Commission
Presented by the Representative of Peru to the Economic and Social Council

**CONSIDERING:**

1. That the alkaloid known as cocaine is obtained from the coca which is widely grown in the valleys of South America;
2. That since time immemorial the indigenous population of this part of the American Continent, especially along the Andean region of its West Coast, have indulged in the habit of chewing coca leaves; and
3. That there is a large and highly controversial dispute as to the harmful or harmless effects of this habit upon the biological, social and economic activities of this very vital segment of the South American population;

**Recommends:**

1. To organize a committee or study group of experts in order to carry out a field survey, in cooperation with the World Health Organization, thus to determine:
   a. The harmful or harmless effects of the coca leaf chewing habit upon the human body in general or upon some specific organ in particular;
   b. The factors or motives (i.e. climate, high altitude, diet, organic reserves, heredity, tradition, etc.) which prompt this chewing habit;
   c. The social and economic implications of this aforesaid habit; and
   d. The measures to be taken, should this habit prove to be harmful, in order to eradicate it from the population concerned.

March 7th, 1947.

The Commission decided to recommend to the Economic and Social Council that a commission of inquiry should be sent to Peru and such other countries concerned as might give it approval. The Commission also felt that the inquiry should include on-the-spot investigations regarding limiting the production and regulating the distribution of coca leaves. It was agreed that the commission of inquiry's terms of reference should be those suggested in the proposal of the Peruvian Government and that the commission should investigate the effects of the chewing of the coca leaf on the population and the effects of the limitation of the production of coca leaves on industry, agriculture, and labor. It was decided that the members of the commission should include two medical men—one a psychiatrist and one an expert in industrial hygiene—and two administrative experts, one of whom would be an economist. If the Economic and Social Council finds it fitting, it may appoint a fifth member to be chairman of the commission.

The Commission on Narcotic Drugs thought it might facilitate the work of the commission of inquiry if the Secretariat would collect all available medical and other scientific data bearing on the effects of the chewing of coca leaves, as well as all the available data relating to the production and consumption of and the trade in coca leaves and any other aspects of the problem. The Secretariat was instructed to seek, in particular, the cooperation of the World Health Organization.

The Commission accepted the following resolution* to be submitted to the Economic and Social Council:

The Commission on Narcotic Drugs,
Recognizing the importance of the request of the Government of Peru to determine with the least possible delay the effects, whether harmful or otherwise, of the chewing of the coca leaf in certain regions of South America,
Recommends that the Economic and Social Council should approve in principle the despatch of a commission of enquiry to Peru and such others of the countries concerned as may request such an enquiry.

**Control of Narcotics in Japan**

The Commission agreed that it should be ensured that all certificates issued by the Japanese Government under chapter V of the 1925 convention require endorsement by the Permanent Central Opium Board before being acted upon by another country; that there be no exports of narcotics from Japan; that no narcotic drugs be

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* U.N. doc. E/CN.7/100, p. 16.
produced in Japan; and that no manufacture of narcotics be permitted in Japan.

The Representative of China requested that the procedure initiated in pursuance of the resolution of the Economic and Social Council of March 28, 1947, should be expedited by forwarding the Council’s recommendation to the treaty-making powers as soon as possible.

Control of Narcotics in Germany

The United States Representative made the following statement in regard to the narcotics situation in the United States zone in Germany:

“In the first session of the Commission on Narcotic Drugs, I described the narcotics situation in the United States zone in Germany. I stated that on the whole the control system in Germany was unsatisfactory. I regret to say that the control system is still unsatisfactory. “The United States authorities had hoped that the Working Party, established by the Allied Health Committee on September 11, 1946, would be able to make recommendations for the improvement of narcotics control in all four zones. The Working Party, at its first meeting on September 23, 1946, having been instructed by the Public Health Committee to revise the German Opium Law of 1929, immediately requested the United States Representative to draw up a draft for the revision of that law. The United States Representative agreed and later submitted a proposal to the Working Party for its consideration. This proposal envisaged the revision of the law in such manner as to effect centralized control under quadripartite supervision and to control the production and use of poppy straw. The proposed revision would also have facilitated the uniform interpretation and application of the law in all four zones, the establishment of a central office for the collection and distribution of statistical information regarding the trade in narcotics, and the establishment of an efficient police force for the suppression of the illicit traffic in narcotics.

“The draft of the United States Representative was discussed at five meetings of the Working Party, but agreement was not reached on any of the paragraphs in the proposal. No alternative proposals were introduced. The Soviet Representative at the fifth meeting of the Working Party on January 9, 1947, stated that the German Opium Law was satisfactory and that he was unable to come to the opinion that it needed revision at that time. The Representatives of France, the United Kingdom, and the United States went on record that in their opinion the law did require revision.

“In the course of the discussion, the representatives of the four occupying countries maintained that the German Opium Law was in full force and effect in their zones. From information in our possession, it would appear that the German Opium Law is administered differently in each zone with different degrees of success and efficiency.

“In view of the attitude of the Soviet Representative, the Working Party came to the conclusion that it could not continue to consider the revision of the law and informed the Allied Health Committee accordingly. The question was thus removed from the agenda, and the revision of the German Opium Law has been postponed for an indefinite period.

“The Working Party still exists and expects to submit estimates to the Drug Supervisory Body of the 1948 requirements of Germany for narcotic drugs and to submit to the Permanent Central Board the other reports required by the international drug conventions. It could be utilized in the development of a coordinated control system.

“As no centralized administration has been set up, I desire to describe briefly matters relating to administration in the United States zone. The four Länder, each carrying out the functions of the former Reichsopiumstelle, operate in accordance with the German Opium Law as modified by Military Government regulations. Each opium office in each Land has inspectors supplemented by district physicians who are responsible for inspections. The offices are responsible for the inspection of factories and for submission of statistics. They report monthly to Military Government. They have no direct liaison with police officials, but through the efforts of Military Government voluntary cooperation has been stimulated. Police officers who attended a course given by German police from March 3 to 15, 1947, have begun their activities, and there are indications of increased efficiency as a result. Supervision of the opium offices is maintained by one narcotics control officer who also prepares reports which are transmitted to the United Nations by Military

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Government. In the United States zone, Military Government regulations are losing their force as the Germans take over more and more functions. The abolition of these regulations would throw the whole responsibility into the hands of the Minister-president of each Land.

“Military Government regulations prohibit the manufacture of heroin, the importation and exportation of narcotics into the United States zone or through the zone for export from Germany, and interzonal transactions except with permission of the Chief of the Public Health Branch.

“The lack of a centralized administration has resulted in a scarcity of narcotic drugs for medical requirements in certain areas in Germany. The long borders offer good opportunities for smuggling, and there is a lack of experienced personnel to cope with the situation.

“The United States Government has instructed its representative on the Allied Control Council to support or introduce proposals for action by the Council for the establishment of an effective system under which the control of narcotic drugs in the four zones in Germany would be coordinated, possibly by enlarging the scope of the existing Working Party.”

Article 19 of the Convention of February 19, 1925

The Economic and Social Council 6 at its fourth session on March 28, 1947, invited the Secretary-General “to initiate studies with a view to amending or deleting the provision of Article 19 of the Convention of 1925 that required that members of the Permanent Central Opium Board shall not hold any office which puts them in a position of direct dependence on their Governments.” The advice of the Commission having been sought in this matter, the Commission accepted the principle that a person, being appointed to the Board, should cease temporarily, i.e. for the duration of his membership on the Board, to exercise his functions as an official of his government, and while exercising his powers and functions as a member of the Board he should not act under the instructions of his government. The Commission decided that members of the Board may represent their governments on the Commission during the sessions of the Economic and Social Council and the General Assembly of the United Nations.

The Commission on Narcotic Drugs adopted the following resolution 7 on this subject:

The Commission on Narcotic Drugs,

I. Having examined the memorandum prepared by the Secretariat (document E/CN.7/101) in pursuance of the invitation of the Economic and Social Council to initiate studies with a view to amending or deleting the provision of Article 19 of the Convention of 19 February 1925, in accordance with which the members of the Permanent Central Board shall not hold any office which puts them in a position of direct dependence on their Governments; considering that it would appear extremely doubtful that an amendment of the 1925 Convention would lead to a satisfactory result and that in any case the amendment procedure would entail very long delay; considering, moreover, that the meaning attributed by the Commission to the said provision of Article 19 of the 1925 Convention would render its amendment unnecessary;

Decides:

1. To suggest to the Economic and Social Council that it should attribute to the fifth paragraph of Article 19 of the Convention of 19 February 1925, as amended by the Protocol on narcotic drugs of 11 December 1946, the meaning attributed to it in the paragraph (2) of Chapter IV of the memorandum* approved by the Commission (Annex V of the Report of the Commission).

II. Having come to the conclusion that, as a result of economic and social changes, it would be difficult to find suitable candidates to sit as members of the Permanent Central Board, without remuneration, and moreover, that members of the said Board should be granted privileges and immunities on the lines laid down by the Convention on Privileges and Immunities approved by the General Assembly on 13 February 1946; recommends that the Economic and Social Council should take the measures necessary for granting to the members of the Permanent Central Board the above-mentioned privileges and immunities, and also adequate remuneration during their term of office.

Illicit Traffic

The United States Representative made a statement regarding the illicit cultivation of opium poppies in Mexico, as follows:

“I have received information from the Representative of the United States who accompanied the Mexican officials engaged in making an aerial survey in Mexico last spring that the cultivation of the opium poppy in Mexico covers a large area and is increasing year after year. It is estimated on the basis of observation and photographs of

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an area of about 1,000 square miles that the poppy fields now number close to 10,000, averaging onehalf hectare (1½ acres) or more per field. The total area is between 4,000 and 5,000 hectares (10,000 and 12,500 acres), producing from 32 to 40 metric tons of opium. The principal opium-producing area is roughly 6,000 square miles in extent. It forms a rectangle east of Bodiriguato, Sinaloa. It extends in a northwesterly direction with the eastern boundary on the western slopes of the Sierra Madre mountains.

"The aerial survey I have mentioned was made northeast of Bodiriguato. In this limited area of approximately 1,000 square miles, 1,500 to 1,700 fields were observed. Outside of the 1,000-square-mile main area an additional 3,000 fields were observed.

"For various reasons, notably the change in the administration, a misconception of the extent of the task, and the lack of manpower and finances, the 1947 opium-poppy destruction campaign conducted by the Attorney General achieved poor results. Approximately 200 poppy fields, having a total area of only 36 hectares (90 acres), were destroyed by a ground expedition.

"The cultivation of the opium poppy in Mexico, although prohibited by Mexican law, appears to be tolerated by the state and local authorities in the producing areas, with the possible exception of the State of Sonora.

"It is reported that between 20 and 30 secret landing strips for airplanes have been constructed in Mexico to handle the transportation of narcotics from Mexico to the United States. There is confirmation of this on both sides of the border. The Mexican Government recently seized a plane loaded with narcotics in Mexico, and a crashed plane containing the bodies of two known narcotic smugglers was found in the United States. We also have information that underworld groups in the United States have their representatives in Mexico to promote the cultivation of the opium poppy, to purchase the crop, and to arrange for its transformation into more valuable and less bulky derivatives, thereby facilitating transportation.

"Information received from reliable sources indicates that there are 12 or more clandestine laboratories in Mexico, a few of which are large and well equipped. Two of the laboratories have been seized during the last few months. It is estimated that at least one half of the raw opium produced in Mexico is being processed into either morphine or heroin.

"The United States is concerned over the narcotics situation in Mexico because most of the narcotics produced are intended for smuggling across the border into our country and are a serious menace to the health of our people. In order to present a picture of the present situation along the border, I have in a separate paper described in detail a shooting affray that occurred a few weeks ago at Woodbine Check near Calexico between desperate Mexican smugglers and narcotics and customs-enforcement officers of the United States. I am authorized to state that my Government hopes that the Mexican Government will increase its activity without delay, in consonance with its international obligations, with a view to suppressing the illicit cultivation of opium poppies within its borders."

The following resolution regarding the situation in Mexico, introduced by the Representative of the United States, was approved by the Commission:

The Commission on Narcotic Drugs

HAVING taken note, during its examination of the international illicit traffic, of reports that there is an enormous clandestine production of opium in Mexico, and

Considerng that the escape of contraband opium from Mexico into the illicit traffic is a source of danger to other countries,

Requests the Economic and Social Council to recommend that the Government of Mexico take appropriate measures, in fulfilment of its international obligations under the narcotics conventions, to suppress the illicit cultivation of opium.

The United States Representative drew attention to certain cases of large supplies of military medical stores containing narcotic drugs having been sold or transferred to governments or private firms. He introduced the following resolution which was adopted by the Commission:

The Commission on Narcotic Drugs

HAVING learned of cases of transfer from one country to another, after the cessation of hostilities, of certain surplus military medical stores containing narcotic drugs which were not covered by export certificates issued by the government of the exporting country, nor by import certificates issued by the government of the importing country, in accordance with the requirements of Chapter V of the Geneva Convention of 1925


* Idem.
CONSIDERING that the failure to observe the provisions of
the Convention of 1925 with regard to narcotic drugs con-
tained in such surplus stores is liable to lead to the escape
of these drugs into the illicit traffic

Requests the governments to draw the attention of their
military or other authorities concerned to the importance
of observing the provisions of the Convention in regard to
the issuance of import and export certificate to cover all
narcotic drugs contained in surplus military stores

Recommends that any narcotic drugs not covered by
import or export certificates which may come to light from
such sources should be treated as seizures of illicit drugs
and dealt with in accordance with the provisions of the
Conventions concerning narcotic drugs.

The Commission on Narcotic Drugs noted that
a considerable quantity of opium was leaving
Turkey and finding its way into Egypt through
Syria and Palestine. The Commission further
noted that large seizures of Indian hemp are still
being made in Egypt, England, Lebanon, Palestine,
Syria, Turkey, and the United States.

Date and Place of the Third Session

The Commission indicated that it would prefer
that its third session be held at Geneva in April
1948, in as much as the seventh session of the Eco-
nomic and Social Council is scheduled for Geneva
on April 27, 1948.

Officers and Representatives on the Commission,
Second Session

The officers of the Commission elected at the
first session were re-elected: Col. C. H. L. Sharman
(Canada), Chairman; Dr. Stanislaw Tubiasz
(Poland), Vice Chairman; and Dr. Szeming Sze
(China), Rapporteur.

The representatives present at the session were:

CANADA . . . . . . . Col. C. H. L. Sharman, C.M.G.,
C.B.E., I.S.O.

CHINA . . . . Dr. Szeming Sze
Dr. Chang-Yu Shu (Adviser)
Dr. Hsiu Cha (Adviser)

EGYPT . . . . Dr. Mahmoud Labib

FRANCE . . . . Gaston Bourgeois

INDIA . . . . A. Sattanathan

IRAN . . . . A. G. Ardalan
A. G. Panahy (Alternate)

MEXICO . . . . Dr. Secundino Ramos y Ramos

NETHERLANDS . . . J. H. Delorge
A. Kruysee (Alternate)

PERU . . . . Dr. Jorge A. Lazarte

TURKEY . . . . Dr. Cemal Kiper
Fuat Eren (Alternate)

UNION OF SOVIET
SOCIALIST REPUBLICS .

V. V. Zakusov
Mr. Kamenev (Alternate)

Mr. Anslinger

UNITED STATES
OF AMERICA . . . George A. Morlock (Adviser)
CONSUL, UNESCO

YUGOSLAVIA . . . . Stane Krasovec

The representative of Poland, Dr. Stanislaw
Tubiasz, was absent. Herbert L. May attended
in his capacity as president of the Permanent
Central Opium Board and member of the Super-
visory Body.

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Notification From the Secretary-General to the General
Assembly Pursuant to Article 12, 2 of the Charter.
Arbitration Committee for Netherlands-Indonesian Dispute

APPOINTMENT OF U.S. REPRESENTATIVE

The President on October 1 appointed Frank Porter Graham, president of the University of North Carolina, as United States Representative on the committee of the Security Council established by resolution of August 25, 1947, to exercise the good offices of the Security Council in the dispute between the Republic of Indonesia and the Netherlands Government.

The resolution of August 25, introduced by the United States, tendered the good offices of the Security Council to assist the parties concerned in the pacific settlement of their dispute in accordance with an earlier resolution of August 1, calling upon the governments concerned to settle their dispute by arbitration or other peaceful means and to keep the Council informed of the progress of the settlement. The resolution of August 25 expressed the readiness of the Security Council, if requested, to assist in the settlement through a committee consisting of three members of the Council. According to this resolution, each of the disputants would select one member, and a third was to be designated by the two selected.

The Republic of Indonesia selected the Government of Australia, which accepted on September 22 and appointed Richard Clarence Kirby, member of the Australian Commonwealth Arbitration Court. The Netherlands Government selected the Government of Belgium, which accepted on September 4 and appointed Paul Van Zeeland, former Belgian Foreign Minister. On September 18 the Governments of Australia and Belgium invited the United States to serve on the good offices committee, and the invitation was accepted.

RESOLUTIONS ON THE INDONESIAN QUESTION

A. Resolutions Adopted at the 194th Meeting Held on 25 August 1947

I. Whereas the Security Council on 1 August 1947, called upon the Netherlands and the Republic of Indonesia to cease hostilities forthwith,

And whereas communications have been received from the Governments of the Netherlands and of the Republic of Indonesia advising that orders have been given for the cessation of hostilities,

And whereas it is desirable that steps should be taken to avoid disputes and friction relating to the observance of the “cease fire” orders, and to create conditions which will facilitate agreement between the parties.

The Security Council

1. notes with satisfaction the steps taken by the parties to comply with the resolution of 1 August 1947,

2. notes with satisfaction the statement by the Netherlands Government issued on 11 August, in which it affirms its intention to organize a sovereign, democratic United States of Indonesia in accordance with the purpose of the Linggadjati Agreement,

3. notes that the Netherlands Government intends immediately to request the career consuls stationed in Batavia jointly to report on the present situation in the Republic of Indonesia,

4. notes that the Government of the Republic of Indonesia has requested appointment by the Security Council of a commission of observers,

5. requests the Governments members of the Council who have career consular representatives

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in Batavia to instruct them to prepare jointly for the information and guidance of the Security Council reports on the situation in the Republic of Indonesia following the Resolution of the Council of 1 August 1947, such reports to cover the observance of the "cease fire" orders and the conditions prevailing in areas under military occupation or from which armed forces now in occupation may be withdrawn by agreement between the parties,

6. requests the Governments of the Netherlands and the Republic of Indonesia to grant to the representatives referred to in paragraph 5, all facilities necessary for the effective fulfilment of their mission,

7. resolves to consider the matter further should the situation require.

II. The Security Council

RESOLVES to tender its good offices to the parties in order to assist in the pacific settlement of their dispute in accordance with paragraph (B) of the Resolution of the Council of 1 August 1947. The Council expresses its readiness, if the parties so request, to assist in the settlement through a committee of the Council consisting of three members of the Council, each party selecting one, and the third to be designated by the two so selected.

B. Resolution Adopted at the 195th Meeting Held on 26 August 1947

III. The Security Council

RESOLVES to tender its good offices to the parties in order to assist in the pacific settlement of their dispute in accordance with paragraph (B) of the Resolution of the Council of 1 August 1947. The Council expresses its readiness, if the parties so request, to assist in the settlement through a committee of the Council consisting of three members of the Council, each party selecting one, and the third to be designated by the two so selected.

Progressive Development of International Law and Its Eventual Codification

RESOLUTION ON ESTABLISHMENT OF INTERNATIONAL LAW COMMISSION PROPOSED BY THE DELEGATION OF THE UNITED STATES

The General Assembly,


RECOGNIZEs the need for implementing Article 13, paragraph 1, sub-paragraph (a) of the Charter, which provides for the initiating of studies and the making of recommendations for the purpose of encouraging the progressive development of international law and its codification; and

Therefore

Resolves that there is established an International Law Commission to be composed of persons of recognized competence in international law selected as follows:

1. The Members of the International Law Commission shall be elected by the General Assembly, at its Second Session if possible.

2. Each Member State may nominate four candidates for the Commission, not more than two of whom may be nationals of the nominating State and not more than two of whom may be nonnationals of the nominating State.

3. The General Assembly shall elect members of the Commission from a panel of candidates compiled by the Secretary-General from nominations made as aforesaid.
4. In nominations and elections Member States shall bear in mind not only that the Commission should be composed of persons of recognized competence in the field of international law but also that in the Commission as a whole representation of the main forms of civilization and the principal legal systems of the world should be assured.

5. Elections shall take place in accordance with the applicable rules of procedure of the General Assembly.

6. A candidate who for purposes of membership on the Commission might be regarded as a national of more than one state shall be deemed to be a national of the state in which he ordinarily exercises civil and political rights. In the event of more than one national of the same State obtaining an absolute majority of the votes of the General Assembly, the oldest of these only shall be considered as elected.

7. In the event of a vacancy occurring in the Commission, earlier than six months before the end of the term of the member, the Secretary-General shall request the International Court of Justice to appoint a successor for the unexpired term. It is further Resolved that:

8. The Members of the Commission, except those elected under paragraph (7) above, shall serve for a term of three years and shall be eligible for re-election if the Commission is continued thereafter.

9. The Commission shall have its headquarters at the seat of the United Nations. After consultation with the Secretary-General, it may from time to time hold its sessions elsewhere.

10. The first meeting of the Commission shall be convened by the Secretary-General; thereafter the Commission shall meet periodically at such times as it shall itself decide to be desirable and necessary for its work.

11. In connection with such meetings, Members of the Commission shall be paid travel expenses, subsistence while in travel status in accordance with regulations and practices covering travel expenses of the General Assembly delegates and representatives to the Economic and Social Council, and a per diem to be determined in consultation with the Fifth Committee, taking into account the rates of per diem received by members of other expert bodies serving the United Nations.

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12. The Commission shall determine its own organization and procedures, giving due regard to paragraphs 7 to 20 of the Report of the Committee on the Progressive Development of International Law and its Codification which are approved by the General Assembly.

13. The Commission shall submit an annual report to the General Assembly.

It is further Resolved that:

14. The Secretary-General shall make available to the Commission under the functional supervision of the Commission such staff and facilities requested by the Commission as the Secretary-General may deem practicable to enable the Commission to perform the functions herein assigned to it and as may be from time to time assigned to it by the General Assembly.

15. It is the sense of the General Assembly that there should be developed within the Secretariat under the functional supervision of the Commission a group of specialists in international law, public and private, who would devote their full time to the consideration of international law, its development and codification, the preparation of interim drafts on specific subjects, and generally to assisting the Commission in the performance of its functions.

*The following amendments were proposed by the Delegation of the United Kingdom to the United States Draft Resolution (A/C.6/137) [U.N. doc. A/C.6/138, Sept. 25, 1947]:

Paragraph 1. Substitute “Third” for “Second” session — delete “if possible”.

Paragraph 3. Add “All nominations shall be communicated to the Secretary-General not later than 30 June 1948.”

Paragraph 12. Add the words “other than paragraphs 16–18” after the words “paragraphs 7–20” (line 2).

Paragraph 15. Replace by the following:

“The Commission is authorized to request the Secretary-General to engage as temporary members of the Legal Division of the Secretariat a limited number of suitable specialists in international law who will, in accordance with the directions of the Commission, devote their whole time to projects and studies which the Commission has decided to undertake. The Commission may suggest to the Secretary-General the names of the persons whom it desired to be so appointed and the Secretary-General shall engage them accordingly if they are willing to serve and unless, in any individual case, he has any objection to the person proposed. For the first term the numbers of persons to be so engaged shall not exceed ‘X’ and the remuneration to be paid shall not exceed ‘Y’."

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INTERNATIONAL ORGANIZATIONS AND CONFERENCES

APPOINTMENTS TO MANAGEMENT COMMITTEES OF RUBBER AND TIN STUDY GROUPS

The Department of State announced on October 2 that the President has approved the appointment of Donald D. Kennedy, Chief, Division of International Resources, Department of State, as United States Representative on the Management Committees of both the Rubber Study Group and the International Tin Study Group. Frederic P. Bartlett, First Secretary and Consul, American Embassy, London, is appointed as Alternate Representative on both Committees. Karl L. Anderson, Assistant Chief, Division of International Resources, Department of State, is appointed to serve as Alternate Representative on the Management Committee of the International Tin Study Group.

The Management Committee of the Rubber Study Group is scheduled to meet for the first time at London, England, October 2–3, and the Management Committee of the International Tin Study Group is scheduled to hold its first meeting at Brussels, Belgium, October 9–10, 1947.

The Rubber Study Group was set up as an informal study group in September 1944 by joint announcement of the Netherlands, the United Kingdom, and the United States, to consider problems of mutual concern relating to rubber. Its primary function is the assemblage of factual material for interested governments. The fourth meeting of the Rubber Study Group, in which 28 governments and 3 international organizations participated, was held at Paris in July 1947. At this meeting it was recommended that a management committee be established, consisting of four of the member governments, which would direct all activities of the permanent Secretariat and prepare a detailed budget. It is anticipated that the Committee will meet at least six times a year.

The Tin Study Group is an intergovernmental body whose purpose is to maintain a continuous intergovernmental review of the world supply-and-demand position of tin. The establishment of a management committee was recommended at the first meeting of the International Tin Study Group at Brussels in April 1947. The Committee, consisting of representatives of the United States and six other governments, will appoint a secretary to the Tin Study Group, prepare a detailed budget, make the necessary financial provisions for and supervise the work of the Secretariat. It is expected that the Committee will meet approximately four times a year, alternately at Brussels and The Hague.

REPORT BY THE IEFC COCOA COMMITTEE

The Departments of State and Agriculture have received the following telegraphic report from the United States member of the International Emergency Food Council working party of the Cocoa Committee, dated September 25, 1947, from Amsterdam:

"The estimated world surplus of cocoa 1947–48 is 645,000 long tons, of which 320,000 will come from British West Africa, 69,000 from French West Africa, 125,000 from Brazil, and 30,000 from the Dominican Republic.

"Prospective supplies will permit an entire year's allocation of 90 percent basic entitlement. Interim allocation of 66 2/3 percent through January 31 will be made. "Tentative United States annual allocation from British West Africa will be 130,000 long tons and 5,000 from French West Africa. Trade in cocoa butter will be ex-allocations."

1 Printed from telegraphic text.
Congressional Committees Examine World Food Crisis

STATEMENT BY THE PRESIDENT

[Released to the press by the White House September 29]

I have conferred at length with congressional leaders with reference to the critical economic situation which exists in western Europe. I am writing to the chairman of the Senate Committee on Foreign Relations, the House Committee on Foreign Affairs, the Senate Committee on Appropriations, and the House Committee on Appropriations, requesting that they call their committees together to consider the urgent need for aid to western Europe.

I know that some of the members of these committees are now in Europe investigating conditions at first hand. It is my earnest hope that as soon as the members of the various committees have returned to this country they will meet.

The question of the calling of a special session of the Congress was discussed at length with the congressional leaders. Whatever decision may be reached on this subject at a later date, it was the opinion of all that the committees should begin to consider the present emergency at the earliest possible date that the members are available.

Recent events have brought about increasingly critical economic conditions in some of the countries of western Europe. Unusually bad European harvests, together with rising costs and lessened supplies of American food, have upset recovery plans and endangered the progress already made. In particular, France and Italy are without adequate food and fuel supplies for the fall and winter and do not have the resources with which to buy them.

The prospect of a general recovery program for western Europe, aided by the United States, has raised their hopes for eventual recovery and has strengthened democratic forces. But, if this recovery program is to have a chance of success, means must be found for aiding France and Italy to survive this critical winter as free and independent nations.

A searching examination has already been conducted of all possible ways in which France and Italy might be aided without additional action by the Congress. Action by various agencies of the Executive Branch under existing authority may meet the most urgent needs of the next few weeks, but funds available from Executive sources are inadequate to provide assistance beyond December. Assistance this winter, in sums much larger than the Executive Branch can provide with funds now at its disposal, is essential. That assistance can come only from the Congress.

The early convening of the congressional committees referred to is the necessary first step in meeting the problems that confront us.

LETTER TO THE CHAIRMAN OF FOUR CONGRESSIONAL COMMITTEES

[Released to the press by the White House October 1]

On October 1, the President sent the following letter to the Chairman of the Committee on Foreign Relations, United States Senate; the Chairman of the Committee on Foreign Affairs, House of Representatives; the Chairman of the Committee on Appropriations, United States Senate; and the Chairman of the Committee on Appropriations, House of Representatives:

My Dear Mr. Chairman: The situation in western Europe has, in the last few months, become critical. This is especially true in the cases of France and Italy, where slow recovery of productivity, particularly of goods for export, combined with the increasing drain on their dollar resources, has produced acute distress.

The unusually bad harvests in western Europe, together with rising costs of imports, the unfortunate results of the temporary cessation of sterling convertibility and the near exhaustion of gold

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and dollar reserves, have placed these two countries in a position where they are without adequate food and fuel supplies for the fall and winter, and without sufficient dollars with which to purchase these essentials. They cannot, by their own efforts, meet this major crisis which is already upon them.

Political groups that hope to profit by unrest and distress are now attempting to capitalize on the grave fears of the French and Italian people that they will not have enough food and fuel to survive the coming winter.

The prospect of a successful general economic recovery program for Europe is one of the major hopes for peace and economic security in the world. The Congress will soon be called upon to consider the part which the United States should play in aiding this program. But the program will have no chance of success if economic collapse occurs in Europe before the program can be put into operation. Prompt and effective aid to meet the urgent needs of the present is essential, lest the strains become too great and result in an expanding economic depression which would engulf western Europe and, eventually, spread over much of the rest of the world.

I have examined with great care the means now available to the executive branch of the Government to provide the necessary assistance. They may meet the urgent needs of the next few weeks, but it is clear that they cannot provide the necessary assistance beyond December, if as long as that. Requirements beyond that time can be met only if further authority is granted by the Congress.

The problems arising out of these circumstances are of such importance that they should be considered by the Congress at the earliest practicable time. The early convening of your committee, together with other appropriate Congressional committees, is a necessary first step in this consideration.

I am requesting, therefore, that you call your committee together at the earliest possible date to consider these problems. I appreciate the fact that some of the members of your committee are investigating, or are planning to investigate, conditions in Europe at first hand. Time is of critical importance in this matter, however, and I earnestly hope that arrangements can be made for convening your committee at an early date.

The appropriate departments and agencies of the executive branch of the Government are prepared to provide information and make recommendations to your committee when its meetings begin.

Very sincerely yours,

[Signature]

Citizens Food Committee Inaugurates Conservation Program

ADDRESS BY THE PRESIDENT

Members of the Citizens Food Committee: This group of distinguished citizens has met to consider the grave food problem facing the world today. You are here because millions of people in many countries are hungry and look to the United States for help. You are here because the United States, in addition to being a granary of bread, is even more a granary of hope.

I have asked you to serve on the Citizens Food Committee, with Mr. Luckman as chairman, because I believe strongly that making our food serve the best possible use in these critical times is a matter for action not by the Government alone but by all the people of the United States. Each
of you possesses a special talent and long experience in some phase of this problem. I know that you have accepted membership on the Committee in the full knowledge that you will be called upon to devote to the situation we face a generous amount of work and much conscientious thinking, as well as a deep concern for the common welfare.

As is well known, this year's harvest has been very poor in many parts of the world. All through western Europe, cold and floods and drought have sharply reduced grain production. The result is that in the coming months these countries will have to cut their rations below the danger point unless they get more help, in the form of larger grain shipments, from the United States and other exporting countries.

It is extremely important to the United States that any serious reduction in the rations of hungry people be prevented. Apart from humanitarian considerations, if rations are significantly cut this winter, economic rehabilitation will come to a stop. This, in turn, would increase the degree and duration of dependence by other nations on special assistance from the United States. Most important, if we turn our backs upon these people they will turn from hunger to despair and from despair to chaos in areas where stability is essential to the peace and economic security of the world.

In the face of this situation, the amount of grain which the United States can export is limited. All estimates indicate that about 470 million bushels of grain are the most we can plan to export under present conditions. At the same time there is strong evidence that we will have to export at least 100 million bushels more than this, if we are to do our share in meeting the absolute minimum needs of distressed people in other countries.

This 100 million bushels must be saved by the American people. This is our minimum goal. We know that only part of that saving can come from serving fewer slices of bread. The great part of the saving must come out of what we feed our livestock. We must also save out of what we waste and out of what we use in a score of ways for human food.

This saving must be achieved, not by increasing prices so that the brunt of the sacrifice will be borne by those least able to buy food, but through an equitable sharing by all of our citizens. There will be more than enough food in the United States to go around, provided it is fairly distributed. Excessive prices, however, result in unfair distribution. Already, increasing prices are bringing hardship to millions of Americans of low or moderate income. Failure to check price increases promptly will not only lower the American living standard but could impair the confidence of business and thus jeopardize the splendid record we have achieved in the maintenance of high employment, high production, and general prosperity. We must get prices down and help hungry people in other countries at the same time.

It has been estimated that we waste about 10 percent of all the food we buy. Clearly, by wasting less, American families can help significantly in feeding hungry families abroad. In addition to cutting down waste, Americans can save by being more selective in the foods they buy.

In our free enterprise system we place major reliance on the voluntary actions of businessmen, farmers, workers, and consumers. It is in accordance with this principle that I have consistently set forth a program for voluntary action in all parts of the economy.

The appointment of the Citizens Food Committee is a further step in this direction. The conservation practices which this Committee works out, by reducing the demand for certain foods, should bring down some food prices and hence reduce the cost of living.

As representatives of all segments of our population, the Citizens Food Committee can help us plan where, how much, and what kinds of food we should save. It can enlist the aid of those who should support the program—consumers, retailers, food distributors and processors, and farmers. It can also develop the best ways of informing the public on what steps Americans, as individuals and groups, can take.

We must deal with the problem quickly and decisively. Much depends, therefore, upon the voluntary conservation measures which the Citizens Food Committee will propose. Much depends upon the speed and thoroughness with which the American people will put these voluntary measures into effect.

The saving asked of each individual is actually very small. One bushel of grain saved by every American in the next few months will do the job.
STATEMENT BY THE SECRETARY OF STATE

[Released to the press by the White House October 1]

Every humane, economic, and world political interest of the United States dictates that we, the American people, should do everything within our power to help feed the people of Europe this winter.

The many reasons for the grave shortage of food, particularly in western Europe, have been explained to the country by the President. The urgency of the problem has developed with alarming rapidity. It has now reached the stage where only the immediate and concerted action of our people as a whole can avoid the possible disaster resulting from further cuts in pitifully low rations throughout western Europe. Every American, I am sure, will gladly share his bounty with the hungry men, women, and children of Europe.

Food-Saving Program as a Contribution to Peace

ADDRESS BY THE PRESIDENT

My Fellow Citizens: The food-saving program which has just been presented to you has my wholehearted support. I am confident that it will have the support of every American.

The situation in Europe is grim and forbidding as winter approaches. Despite the vigorous efforts of the European people, their crops have suffered so badly from droughts, floods, and cold that the tragedy of hunger is a stark reality.

The nations of western Europe will soon be scraping the bottom of the food barrel. They cannot get through the coming winter and spring without help—generous help—from the United States and from other countries which have food to spare.

I know every American feels in his heart that we must help to prevent starvation and distress among our fellow men in other countries.

But more than this, the food-saving program announced tonight offers an opportunity to each of you to make a contribution to peace. We have dedicated ourselves to the task of securing a just and lasting peace. No matter how long and hard the way, we cannot turn aside from that goal. An essential requirement of lasting peace in the world is the restoration of the countries of western Europe as free, self-supporting democracies. There is reason to believe that those countries will accomplish that task if we aid them through this critical winter and help them get back on their feet during the next few years. They must do most of the job themselves. They cannot do it if thousands of their people starve. We believe that they can—and will—do the job if we extend to them that measure of friendly aid which marks the difference between success and failure.

Their most urgent need is food. If the peace should be lost because Americans failed to share their food with hungry people, there would be no more tragic example in all history of a peace needlessly lost.

Another reason for conserving food is to aid in controlling inflationary spirals and in preventing undue price burdens for our people at home. Already many American families with moderate or low incomes are being forced by high prices to lower their standard of living. Exports have some effect upon domestic prices of grain, but they do not exercise a controlling influence on food prices. Most of the upward pressure on prices is

Food is the very basis of all reconstruction.

Hunger and insecurity are the worst enemies of peace. For recovery and political stability, Europe needs many things, but the most elemental, indispensable need is food.

Europe needs more food than she received from us last winter, and this country has a smaller quantity available to send her. This may seem to be an impossible situation, but it is not so if the American people really wish to find the answer.

The Citizens Food Committee has laid down the challenge: “Buy wisely, eat sensibly, waste nothing.” In short, all of us must “declare war on waste” in this country in order to win the “war against hunger” in Europe and its menace to world stability.

*Broadcast over all national networks on Oct. 5, 1947, in connection with the President’s Citizens Food Committee Program, and released to the press by the White House on the same date.*
a result of competition among Americans for scarce goods. The success of our food-saving program will help to reduce these inflationary pressures.

Another factor that contributes to high prices of food is gambling in grain. Grain prices naturally respond to the law of supply and demand, but they should not be subject to the greed of speculators who gamble on what may lie ahead in our commodity markets.

There is a place for legitimate trading in futures and for hedging transactions. But 90 percent of all accounts in a recent corn futures market were found to be speculative. Trading in wheat futures rose 75 percent in September compared with August. Normal trading in wheat at Chicago should amount to three or four million bushels a day. In this past September, however, trading averaged almost 30 million bushels a day. In a single month, on one exchange, almost half the year's crop was traded.

I am instructing the Commodity Exchange Commission, which consists of the Attorney General and the Secretaries of Agriculture and Commerce, to demand of the grain exchanges that they increase their margin requirements to at least 33 1/3 percent. If the grain exchanges refuse, the Government may find it necessary to limit the amount of trading.

I say this because the cost of living in this country must not be a football to be kicked about by gamblers in grain.

The food conservation program proposed by the Citizens Food Committee will be supported by every part of the Federal Government.

Mrs. Truman has today directed that the White House follow all the measures proposed by the Citizens Food Committee. In Government restaurants and cafeterias throughout the country, these same measures will be followed. As Commander in Chief, I have ordered that the Army, the Navy, and the Air Force shall also comply with this program.

All segments of our population must make their contribution toward saving grain.

Farmers must cooperate by reducing the amount of grain now used to feed their livestock and poultry.

Industry must reduce the volume of grain used so as to make the greatest possible saving. The distillers in this country have on hand huge stocks of distilled spirits, and it will be no hardship on them to shut down for a 60-day period. This action alone will feed millions of hungry people.

Quite apart from the responsibilities of farmers and industry, you and I—as individual Americans—have our responsibility. You have all heard Mr. Luckman give the immediate consumer program for the people of the United States. It has my complete approval and my full support.

It is simple and straightforward. It can be understood by all. Learn it; memorize it; keep it always in mind. Here it is:

1. Use no meat on Tuesdays.
2. Use no poultry or eggs on Thursdays.
3. Save a slice of bread every day.
4. Public eating places will serve bread and butter only on request.

I realize that many millions of American housewives have already begun strict conservation measures. I say to those housewives, “keep up the good work” and save even more when and where you can. On the other hand, there are also many Americans who are overeating and wasting food. Unless these people cut their consumption in the ways required, they will be taking more than a fair share of the supplies available. They will be personally contributing to increased inflation at home and to the desperate scarcity of food overseas.

The battle to save food in the United States is the battle to save our own prosperity and to save the free countries of western Europe. Our self-denial will serve us in good stead in the years to come.

The voluntary program is the best way for us to do the job. We believe that self-control is the best control. From now on, we shall be testing at every meal the degree to which each of us is willing to exercise self-control for the good of all.

The program which has been presented to you tonight, if faithfully carried out, will save the grain we need.

Hungry people in other countries look to the United States for help. I know that they will be strengthened and encouraged by this evidence of our friendship.

I know that they will be waiting with hope in their hearts and a fervent prayer on their lips for the response of our people to this program.

We must not fail them.

October 12, 1947
European Economic Recovery Discussed With Representatives of CEEC

The first group of technicians representing the Committee of European Economic Cooperation arrived in Washington on October 3 for conversations with United States Government representatives and members of the Harriman Committee. The conversations, scheduled to open on October 6, will cover the CEEC report on production, requirements, and future plans for European economic recovery. This report by the 16 nations represented on the CEEC at Paris was transmitted to the President on September 24.

Representatives of the CEEC will furnish explanatory information to United States Government interdepartmental committees that have been studying the report, and to the Harriman Committee.

Members of the Executive Committee of the CEEC will discuss broad policy questions. It is expected that the representatives of the CEEC will then return to Europe in order to obtain any further information requested which they may not have available here.

The technical conversations will be carried on by a number of committees: food and agriculture, coal, mining machinery, iron and steel, petroleum, balance of payments, inland transport, maritime transportation, timber, electric power, manpower, fertilizer, agricultural machinery, and miscellaneous commodities.

The 12 CEEC technicians are:

A. D. Marris, Lazard and Company
G. R. Peterson, Ministry of Fuel and Power
J. H. Brook, Ministry of Fuel and Power
Mr. Hills, Statistician
T. G. Davies, Assistant to Minister of Fuel and Power
Miss D. E. Ackroyd, Iron and Steel Board
H. R. Fisher, Iron and Steel Board
P. F. Rogers, Ministry of Supply
J. Layton, Control Commission

Food, Coal, and Medicines Sent to Italy

Statement by Acting Secretary Lovett

Food, coal, and medicines worth approximately 55 million dollars will be shipped from the United States to Italy during October and November under the 332-million-dollar United States foreign relief program. December allocations for shipments to Italy under the relief program have not yet been determined.

During the three months since July 1, when shipments under the program were initiated, and up to October 1, the United States supplied Italy with 35 million dollars' worth of essential commodities, making a total for the period July 1 through November 30 of 90 million dollars.

The grain represents the full amount of allocations for shipment from the United States under the International Emergency Food Council allocations for these months, and the coal shipments cover the essential Italian coal requirements which the Italians have been unable to finance.

During October and November Italy will be sent:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
<td>231,000 long tons</td>
</tr>
<tr>
<td>Soya flour</td>
<td>4,000 &quot;</td>
</tr>
<tr>
<td>Beans and peas</td>
<td>9,933 &quot;</td>
</tr>
<tr>
<td>Rolled oats</td>
<td>4,000 &quot;</td>
</tr>
<tr>
<td>Dry macaroni</td>
<td>3,200 &quot;</td>
</tr>
<tr>
<td>Dry Spaghetti</td>
<td>3,200 &quot;</td>
</tr>
<tr>
<td>Coal</td>
<td>1,100,000 &quot;</td>
</tr>
<tr>
<td>Penicillin</td>
<td>$163,000 worth</td>
</tr>
<tr>
<td>Streptomycin</td>
<td>134,000 &quot;</td>
</tr>
</tbody>
</table>

1 For text of vol. I, the General Report, see Department of State publication 2930, European Series 28; for summary of the report, see BULLETIN of Oct. 5, 1947, p. 684.
Poland Opposes Industrial Plan for Germany on Grounds of “Unilateral Action”

EXCHANGE OF NOTES BETWEEN THE POLISH AMBASSADOR AND THE ACTING SECRETARY OF STATE

September 14, 1947.

SIR: In connection with the conversations held in London by the representatives of the United States, Great Britain and France, concerning the raising of German industrial production, at the conclusion of which a plan of industrial production in the Anglo-American Zone has been made public in Berlin on August 29, 1947, I have been instructed to present to you the following viewpoint of the Polish Government regarding this matter:

1) The Polish Government is of the opinion that the plan for German industrial production made public in Berlin on August 29, 1947, being in complete contradiction with the Potsdam Agreement which sets forth that any decision regarding Germany will be taken by the four Great Powers, unilaterally raises the level of German industrial production above the established German needs.

2) The Polish Government is of the opinion that the implementation of this plan would have as result the restoration of the German industrial power, thus creating a threat to the security of Europe, especially to countries neighboring Germany.

3) The program for the increase of German industrial production agreed upon during the London conversations is contradictory to the principle of priority for the reconstruction of countries devastated by German aggression, as well as to the principle not to exceed in Germany the average of the standards of living of European countries.

4) This plan represents a unilateral attempt toward a revision of the program of reparations to be paid by Germany to the victorious countries, and among them to Poland. This plan, contradictory to the most vital interests of Poland, has evoked a determined and unanimous protest of Polish public opinion.

The Polish Government in presenting the above observations cannot refrain from stating that the realization of these aims would not comply with the fundamental motives which animated all the Allied Nations in their endeavor to abolish German aggression and its sources; it would also not contribute to the task of consolidation of peace and security in Europe, in which task Poland is deeply interested.

Accept [etc.]

Jozef Winiewicz

EXCELLENCY: I have the honor to acknowledge the receipt of your note of September 14, 1947 regarding the discussions in London between the United States, the United Kingdom, and France concerning the level of industry and the Ruhr area in Germany, and setting forth the views of the Polish Government with respect to the decisions reached in those discussions.

The United States Government has always agreed that decisions dealing with Germany as a whole can only be taken by agreement between the four occupying powers. The United States Government is, however, unable to accept the interpretation placed by the Polish Government on the recent agreements relating to Germany as expressed in your note under reference.

As this Government informed the Soviet Government in a note from the Department of State to the Soviet Embassy dated August 29, 1947, the United States Government has sought persistently for over two years to reach agreements on matters affecting Germany as a whole and to

1 Delivered to the Polish Ambassador at Washington on Sept. 30, 1947.
implement the provisions of the Berlin Agreement of 1945 which state that Germany should be treated as a single economic unit and that to this end certain common policies should be established. The level of industry for Germany as a whole adopted on March 27, 1946, was in fact expressly based on the assumption that Germany would be treated as an economic unit. Pending achievement of this goal, the United States Government has been called upon, at great expense to the American public, to sustain on a minimum subsistence basis a non-self-supporting area of Germany. The American people have been extremely patient in submitting for so long to this situation, which would not have persisted if Germany had been treated as an economic entity. It became clear during the meeting of the Council of Foreign Ministers in Moscow this year that the economic unity of Germany would again have to be postponed and that there was little prospect of an early solution. Faced with that situation, it was imperative that steps be taken in the United States and British Zones with the object of relieving as soon as possible the tremendous financial burden on the two governments which their responsibilities in those deficit areas entailed.

In the note to the Soviet Embassy cited above, the Soviet Government was informed that “the United States Government is unable to accept the thesis that nothing can be done to alleviate the financial burden of the United States or to develop within the framework of the Berlin Agreement the contribution of the western zones of Germany to the economic reconstruction of Europe until the consent of the Soviet Government has been obtained. Pending the fulfillment of quadripartite agreement, the United States feels justified in pursuing objectives which have been commonly agreed and making arrangements for that purpose with any other occupying power willing to work toward the common end.”

I should like to mention here that at the last Council of Foreign Ministers’ meeting all four ministers agreed that the level of industry for Germany should be raised appreciably above the plan of March 27, 1946. No formal decision to do so was taken, however, because of lack of agreement on other issues, but the fact remains that there was general concurrence that any agreement to treat Germany as an economic unit would require raising the level of industry. If this was required under the favorable conditions of economic unity, it was all the more necessary to put such measures into effect where possible under the less favorable conditions of a Germany economically divided. I can assure you in any case that, in working out the new plan for the United States and British Zones, the United States Government has observed the main objectives in the Berlin Agreement of eliminating German war potential, developing Germany’s agriculture and peaceful industries, and enabling Germany to maintain itself without external assistance.

In the communiqué of August 28, 1947, outlining the decisions reached in London, it was specifically stated that “the measures about to be taken should not result in priority being given to the rehabilitation of Germany over that of the democratic countries of Europe” and that “German resources should contribute to the general rehabilitation of Europe.” The Polish Government cannot fail to be aware of the importance of German production to the economic rehabilitation of Europe.

The adjusted level of industry plan undoubtedly will have some effect on the reparations program, and this consideration was carefully weighed before the plan was adopted. It is hoped and expected that this effect will in the long run be more than offset by the benefits derived from an earlier resumption of normal trade relations with Germany. While it would have been preferable to have worked out this plan, and other arrangements for Germany, on a quadripartite basis, I believe I have made it clear in the preceding paragraphs why action in the United States and British Zones could no longer be postponed.

As for the opinion expressed in your note to the effect that the adjustment of the level of industry in Germany will result in the creation of a threat to the security of Europe, I wish to call to your attention the fact that in the United States Zone of Germany the occupying authorities have destroyed all first priority military installations. Of all military installations other than fortifications and defense works, 91 per cent have been destroyed, and 100 per cent of naval and armored equipment have been likewise disposed of. As of May 1, 1947, of 105 industrial plants listed for demilitarization, 74 had been wholly dismantled, and 29 had been

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partially dismantled. Work on the remainder of these plants is progressing steadily. This record does not substantiate the Polish Government's allegation, as expressed in your note, that the decisions taken at London are not in accord with the principles which animated the allied nations "in their endeavor to abolish German aggression and its sources".

In this connection, the Polish Government is undoubtedly aware that the United States Government has made repeated proposals for negotiation of a treaty with the United Kingdom, France, and the U.S.S.R., which would guarantee the security of Europe against the revival of militarism in Germany for a period of 40 years. The United States proposal, which was put forward more than a year ago and is still open, has been accepted as a basis for agreement by the United Kingdom and by France but not by the U.S.S.R. This proposal is indisputable evidence of the determination of the people and the Government of the United States that Germany shall never again be a dominant military power in Europe.

Accept [etc.]

For the Secretary of State:

NORMAN ARMOUR

Soviet Press Charged With "Libelous Attack" on the President

EXCHANGE OF NOTES BETWEEN U.S. AMBASSADOR AND SOVIET MINISTER FOR FOREIGN AFFAIRS

[Released to the press September 29]

Text of a note dated September 25 from Ambassador Bedell Smith to the Soviet Minister for Foreign Affairs, V. M. Molotov

During the year and a half that I have resided in the Soviet Union I have been obliged with the deepest regret to witness in the Soviet press an increasing flood of half truths, distortions of truth and utter falsehoods about my country and my government. I have tried to overlook this incendiary press campaign, feeling that to take issue with a myriad false or incorrect statements would simply be adding fuel to the flame of hatred toward my country which the Soviet press has apparently undertaken to kindle in the hearts of the Soviet people.

However, an occasion has now arisen when I must break this self-imposed rule. An article by one Boris Gorbatov just published in Literary Gazette No. 39 is so wantonly libelous in its personal attack on the President of the United States that I cannot permit it to pass without the strongest protest. It has thoroughly shocked me.

As I have told you personally on several occasions, I believe that I have a duty to the Soviet Government as well as to my own, and that this duty is to inform the Soviet Government as honestly and frankly as possible of the beliefs and opinions of the people of my country. This being the case, I must assure you in the most solemn terms that every fair-minded American citizen, regardless of his political opinions, will be deeply affronted by this article and will feel that he in some way shares the personal insult thus gratuitously offered to President Truman.

I cannot recall that Dr. Goebbels, of unsavory memory, at the height of our common struggle against Nazi Germany ever stooped to greater ridicule and vituperation against the head of an enemy country than has Mr. Gorbatov against the chief executive of a friendly and allied state. In this connection, I would never have believed that a Soviet writer would permit himself, or be permitted, to draw an analogy between the President of the United States and our recent common enemy, Hitler. Mr. Gorbatov goes so far as to imply criticism of President Truman for associating with the President of Brazil, our faithful and devoted ally in the recent war, to whom is unwarrantably imputed some prior association with the axis powers. Any unprejudiced observer, familiar with the course of history since 1939, would agree that such criticism comes with extraordinarily bad grace from a Soviet writer.

I cannot believe that Mr. Gorbatov's article rep-

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THE RECORD OF THE WEEK represents the opinion of the Soviet Government, and I therefore request that it be officially disavowed and if, contrary to my belief, it has the approval of the Soviet Government, I would appreciate a statement to that effect.

Text of Mr. Molotov's reply to Ambassador Smith's note of September 25

Acknowledging the receipt of your letter of September 25, I must state that I do not consider it possible to enter into a discussion with you of the article of the writer B. Gorbatov in The Literary Gazette, as the Soviet Government cannot bear the responsibility for this or that article and, so much the more, cannot accept the protest you have made in that connection.

However, inasmuch as in your letter you decided to undertake a general evaluation of the Soviet press and from it is obtained a completely perverted picture of the situation, I must state my disagreement with your point of view on the Soviet press.

Despite your allegation, the Soviet press more than the press of any other country whatsoever, especially aims to elucidate broadly as possible the actual situation and true facts of the life of other countries, attaching special significance to the strengthening of friendly relations between peoples. This applies in full measure also to the United States of America, so that any move or approach of the government and statesmen of the United States of America directed toward the strengthening of normal relations between countries and toward the support of universal peace invariably encounters warm support in the Soviet press, and this is so generally known that it need no reaffirmation whatsoever. It is by no means possible to say regarding that American press which is so widely encouraged by the most reactionary circles in the U.S.A. and which not only from day to day inserts lying and slanderous articles regarding the U.S.S.R. and its statesmen, but also inflames hostility between peoples, and which does not meet with any serious support whatsoever in the U.S.A., which is of course, Mr. Ambassador, well known to you regarding which there are not two different opinions in international democratic circles.

U.S.S.R. Refuses Entry to Congressional Committee To Visit American Embassy

STATEMENT BY ACTING SECRETARY LOVETT

[Released to the press October 1]

On September 9 applications for entry visas were filed at the Soviet Embassy in Washington on behalf of 11 members of the Senate Appropriations Committee, the Assistant Secretary of State, John E. Peurifoy, and four other Government officials who were planning to visit Moscow in the latter part of October for the purpose of inspecting the work of the Embassy in that city. Ambassador Smith was simultaneously instructed by the Department of State to inform the Ministry of Foreign Affairs of the purpose of this visit.

Ambassador Smith informed the Department on September 22 that he had just received a letter dated September 19 from the Deputy Minister for Foreign Affairs, Malik, refusing the issuance of visas to the members of this group.

Ambassador Smith informed the Department further that on the same day, September 22, he repeated his request to the Ministry of Foreign Affairs for the issuance of visas, emphasizing that the Senators and other members of the visiting group were concerned only with an inspection of the Embassy.

The Ambassador informed the Department that a reply was received on September 26 from Deputy Minister Malik which reiterated the refusal of the Soviet Government to grant visas for the members of this senatorial group.
TRANSLATION OF NOTE FROM SOVIET DEPUTY MINISTER FOR FOREIGN AFFAIRS

September 19, 1947.

Acknowledging receipt of your letter of September 13, 1947, I have the honor to inform you that, as it is clear from your letter, the trip of the group of Senators mentioned by you partakes of the nature of an investigation. These persons, as is also clear from your communication, have the intention of carrying out an investigation of a number of European countries.

Since the Soviet Union is not among the countries which can be subjected to an investigation on the part of American Senators, the trip of the above-mentioned group to the Soviet Union is not considered suitable.

At the same time, the Ministry of Foreign Affairs is ready to issue visas for entrance into the U.S.S.R. to other persons who are proceeding to the U.S.S.R. without the aim of making an investigation.

United States Denies Connection With Alleged Albanian Saboteurs

[Released to the press September 22]

Charges are being made against the United States during trials now being conducted at Tirana of 10 Albanian deputies and 14 other Albanian citizens accused of sabotage and subversive activities.

From the time of its establishment as a modern state, Albania has been a striking example of disinterested American aid, without any shadow of exploitation or desire for political profit. It was largely through the personal efforts of President Wilson at the peace conference of 1919 that the independence of Albania was insured, and in the years that followed the traditional friendship of the American and Albanian peoples has been strengthened. Many Americans made Albanian welfare their lifework, through service in schools, missions, hospitals, agricultural training, and other philanthropic enterprises. During the recent war the United States consistently looked forward to the re-establishment of Albanian independence. In May 1945 an informal American mission was sent to Albania to ascertain the possibilities for recognition of the regime and the establishment of diplomatic relations. The work of that mission, and its eventual withdrawal, were the subject of a Departmental announcement of November 8, 1946.¹

Immediately following the announcement of this Government’s intention to withdraw the mission, the Albanian authorities instituted trials of alleged Albanian saboteurs at Tirana and trumped up charges that Harry T. Fultz, an officer of the mission, together with other employees of the mission, had instigated and subsidized sabotage activities at a drainage project on Lake Maliq and elsewhere. For many years before the war Mr. Fultz was engaged in philanthropic work as principal of the American Vocational School at Tirana, maintained by funds donated by the American Junior Red Cross. The fabrication of these charges is a sad act of ingratitude on the part of the present Albanian authorities. The Department categorically denied these allegations at the time they were first made.

The trials now proceeding at Tirana are clearly an attempt of the Albanian regime to perpetuate itself by means of oppression and the terrorization of Albanian liberal, patriotic, opposition elements. The charge that the accused were in any way in the pay or service of the United States or of any of its representatives in Albania is entirely untrue.

¹ Jakov Aleksandrovich Malik.
Displaced-Persons Problem To Be Discussed With European Military and Civilian Officials

[Released to the press October 1]

Ugo Carusi, former Commissioner of the United States Immigration and Naturalization Service, left for Europe on October 2 on a special assignment of the President in connection with displaced persons.

Mr. Carusi's assignment will take him to Germany, Austria, Italy, and Switzerland, where he will confer with military and civil officials. He will study the operations of the International Refugee Organization, and he may attend sessions of the IRO in Geneva.

Upon his return Mr. Carusi will submit a report for the benefit of the Secretary of State and the Attorney General. This report, among other things, will bear upon the displaced-persons program inaugurated under the President's directive of December 22, 1945, and will deal with the implementation of any future program which may arise under further legislation or the IRO program.

In preparation for this trip Mr. Carusi has been working for the past month with officials of the Department of State and the Department of Justice.

Myron C. Taylor Makes Preliminary Report on Mission to Vatican

[Released to the press by the White House October 2]

The President held a conference on October 2 with Myron C. Taylor, his personal representative to His Holiness Pope Pius XII. Mr. Taylor gave the President a preliminary report on his recent mission. He informed the President that while he was in Europe, besides seeing the Pope, he conferred with His Grace the Archbishop of Canterbury and with Dr. Otto Dibelius, Lutheran Bishop of Berlin, as well as with other religious leaders, on the question of cooperation in establishing permanent peace in the world.

Mr. Taylor will continue these discussions from time to time in the hope of enlisting the influence and support of all world religious leaders in the effort to bring about permanent peace.

Diplomatic Relations With Bulgaria Resumed and Donald R. Heath Appointed Minister

Statement by Acting Secretary Lovett

[Released to the press October 1]

Last week I was asked whether resumption of diplomatic relations between the United States and Bulgaria might be affected by recent developments in that country. A decision has now been reached in the matter.

With the entry into force on September 15 of the Bulgarian peace treaty and the termination of the state of war between the United States and Bulgaria, the United States Government considers it desirable to accredit a diplomatic representative to supersede the United States Political Representative who has been stationed in Bulgaria during the armistice regime. The Honorable Maynard B. Barnes served as U.S. Political Representative to Bulgaria from December 1944 until his return to this country last spring. In his absence Mr. John Evarts Horner has been Acting U.S. Political Representative in Bulgaria.

The President has appointed Mr. Donald R. Heath, of Topeka, Kansas, as American Minister to Bulgaria. Mr. Heath plans to depart for his new post in the very near future. The appointment of Mr. Heath and the establishment of an American Legation in Sofia is predicated on the intention of the United States to maintain its interest in the welfare of the Bulgarian people, to keep itself informed concerning developments in Bulgaria, and to continue its efforts to protect American interests in that country. The United States Government wishes to make it clear that this step does not reflect either approval or condonation of certain recent actions of the Bulgarian Government. The views of this Government on such matters have been fully set forth.

Chilean Dental Specialist Visits U.S.

Alfonso Leng, dean of the School of Odontology of the University of Chile, is visiting the United States at the invitation of the Department of State.

Dr. Leng is one of a group of leaders who have received grants-in-aid under the program administered by the Department for the exchange of professors and specialists between the United States
and the other American republics. While here he will visit dental schools, clinics, and laboratories in all parts of the country to study latest methods and developments in this field.

Final Compensation for Petroleum Properties Expropriated in Mexico

[Released to the press September 30]

The Chargé d’Affaires ad interim of Mexico presented to the Acting Secretary of State on September 30 his Government’s check for $4,085,327.45, representing the final installment due at this time under the agreement effected through an exchange of notes on September 29, 1943, establishing the manner and conditions of payment of compensation to this Government for the benefit of certain American nationals who sustained losses as a consequence of the expropriation of petroleum properties in Mexico in March 1938.

The two Governments agreed in 1941 each to appoint an expert to determine the amount of just compensation to be paid American nationals for their losses. At that time the Mexican Government made a deposit of $9,000,000 on account of the compensation to be paid. In April 1942 the two experts, Morris L. Cooke, representing the United States, and Manuel J. Zevada, representing the Republic of Mexico, submitted a report in which the losses sustained were evaluated at $23,995,991, plus interest at three percent per annum from March 18, 1938, to the date of final settlement on all balances due, a total of $29,137,700.84. The two Governments agreed in September 1943 that the amount be paid by annual instalments, the date of the final instalment to be September 30, 1947. The American companies participating in apportioned payments from this amount are Standard Oil of New Jersey, Standard Oil of California, Consolidated Oil Company, the Sabalo group, the Sea Board group, and their affiliated companies. The 1942 agreement also provided that the Government of Mexico and each of the above claimants release each other respectively of all reciprocal claims that may still be pending against one another, with the exception of those claims of the Mexican Government against the companies for unpaid taxes and duties, as well as those claims based on payments legally made by the Mexican Government for the account of the companies. The Mexican Government also agreed to assume liabilities for all private claims which might be instituted after April 17, 1942, by private individuals against the companies as a result of expropriation.

The Mexican Government has punctually made the payments as agreed upon and has fulfilled to the letter the understanding reached between the two Governments in 1943. The final payment received today felicitously closes a chapter in Mexican–United States relations. The Acting Secretary of State requested the Chargé d’Affaires to convey to his Government an expression of this Government’s appreciation of the final settlement.

Political Science Professor To Lecture in Venezuela

Asher N. Christensen, associate professor of political science and foreign student adviser at the University of Minnesota, has received a grant-in-aid from the Department of State to enable him to serve as visiting lecturer during October 1947 at the Central University, Caracas, and other educational institutions in Venezuela. He will lecture on American constitutional history.

Dr. Christensen is one of a group of educators who have received such grants, under the program administered by the Department for the exchange of professors and specialists between the United States and the other American republics.

Networks Assume Programming of Many “Voice of America” Broadcasts

[Released to the press October 11]

The Department of State announced on October 1 that new international short-wave radio-program contracts have been effected with the Columbia Broadcasting System and the National Broadcasting Company. As of October 1, the bulk of international broadcasting is to be prepared by the two networks, as stipulated by Congress in granting appropriations for the continuance of the “Voice of America”.

Effective October 1, NBC and CBS, under Departmental supervision, take over the short-wave
programming in English and the foreign-language programs to France, Italy, Germany, Spain, Latin America, Indochina, Siam, and Indonesia. Under the reduced broadcast schedule recently put into effect by the Department, this comprises about 75 percent of the total broadcast output of 32 hours, 15 minutes daily. Previously, NBC and CBS had prepared, under contract to the Government, nearly half of the programming, with the Department preparing the major portion of the output.

The Department, through its International Broadcasting Division, continues under congressional authority to program broadcasts to the U.S.S.R., Poland, Austria, the Balkans, China, Korea, and Germany.

New Appointments to Advisory Committee on International Broadcasting

[Released to the press September 22]

Assistant Secretary Benton announced on September 22 that a new Advisory Committee on International Broadcasting is being appointed by the Department of State, pending action by Congress on the Department's proposal for the creation of an "International Broadcasting Foundation of the United States". The new committee will carry on and extend the functions of a previous committee of consultants which discharged its responsibilities with a report released by the Department May 16, 1947. At that time, and later in testimony before Congressional committees, Mr. Benton said that a new advisory group would be appointed.

"I expect this new committee will be an interim committee only because it is my hope that not long after Congress reconvenes it will give consideration to the urgent need for legislation to determine the long-range organization for the handling of international broadcasting", Mr. Benton said. "The committee will advise the Department on those subjects pertaining to our international broadcasting which will be of greatest interest to the people and the Congress. Congress will naturally look for advice and guidance to the seven private 'licensees' with whom the Department now has contracts and to other leaders in the radio field."

Of the 17 people invited to serve on the new committee, 6 were members of the previous committee of consultants and 7 are representatives of the "licensees". Those invited to serve are:

Gardner Cowles, Jr., Publisher, Des Moines Register & Tribune, President, Cowles Broadcasting Company
Wesley Dumm, President, Associated Broadcasters, Inc.
Mark Ethridge, Publisher of the Louisville Courier Journal; Past President, National Association of Broadcasters
Walter Evans, President, Westinghouse Electric Corporation
Don Francisco, Vice President and Director, J. Walter Thompson Advertising Agency
Fr. Robert I. Gannon, President, Fordham University
Edgar Kobak, President, Mutual Broadcasting System
Roy Larsen, President, Time, Inc.
Harold Lasswell, School of Law, Yale University
Walter Lemmon, President, World-Wide Broadcasting Foundation
Justin Miller, President, National Association of Broadcasters
Edward Noble, Chairman of Board, American Broadcasting Company, Inc.
Paul Porter, Attorney; Former Chairman, Federal Communications Commission
Phillip Reed, Chairman, General Electric Company
James D. Shouse, President, Crosley Broadcasting Corporation
Frank Stanton, President, Columbia Broadcasting System
Niles Trammell, President, National Broadcasting Company

United States Views Cordial Relations Between India and Pakistan

Statement by Acting Secretary Lovett

[Released to the press September 24]

The people of the United States have observed with deep satisfaction the recent improvement in the tragic plight of the inhabitants of the Punjab Provinces in India and Pakistan. The majority of the peoples of the two Dominions have shown a praiseworthy patience and restraint in a time of drastic readjustment and great tension. Excepting the Delhi area where the influx of refugees created an abnormal and difficult situation, serious
disturbances have been localized in the Punjab.
Elsewhere, the complex problems of transition from a single empire to two dominions have been faced with calmness and the determination to seek an orderly solution.
The peoples of India and Pakistan and their new Governments have the sympathy of the United States and are entitled to the support of all democratic countries in their endeavors to cope with the very difficult problems attending their emergence into nationhood. Full and friendly cooperation between the two Dominions affords the strongest base from which to attack these problems, and all friends of the new Governments welcomed the announcement on September 20 of the accord reached by their Prime Ministers for further joint efforts to restore peace and order in the disturbed areas. It may confidently be expected that the two Governments will continue to work together toward the mutual objective of peace and well-being for all their peoples.

THE FOREIGN SERVICE

Specialized University Study for Foreign Service Officers

The Department of State announced on October 1 that 18 Foreign Service officers have been detailed to universities for the 1947–48 academic year for advanced or specialized studies to increase their usefulness as field officers.

Fourteen officers are being assigned for special language studies, supplemented by appropriate area courses, as a part of the Foreign Service Institute's program to develop qualified area specialists for operations in Asia and eastern Europe. These are distributed as follows: Russian studies (Columbia University), 4; Japanese studies (Harvard University), 4; Chinese studies (Cornell University), 3; Turkish studies (Princeton University), 1; Siamese studies (University of California), 1; and Korean studies (University of California), 1.

Four officers are being detailed to universities for special studies of international economic problems. Two will go to Princeton, one to Columbia, and one to Harvard.

October 12, 1947

Nathaniel P. Davis Appointed Ambassador to Costa Rica

The President has appointed Nathaniel P. Davis, Counselor of Embassy with the personal rank of Minister at Manila, to be Ambassador to Costa Rica.

Mr. Davis succeeds Walter J. Donnelly, who has been appointed Ambassador to Venezuela.

Corrigan Resigns Ambassadorship Takes U.N. Post

The President on September 19, 1947, accepted the resignation of Frank P. Corrigan as American Ambassador to Venezuela. Mr. Corrigan resigned in order that he might become Political Adviser on Latin America to the U.S. Delegation to the United Nations. For text of the President's letter to Mr. Corrigan, see White House press release of September 22, 1947.

THE DEPARTMENT

Three Terminated Employees Permitted To Resign Without Prejudice

[Released to the press October 3]

The Department of State announced on October 3 that the Personnel Security Board has recommended that three employees who had been terminated for security reasons be permitted to resign without prejudice.

The Board had reviewed the files of the 10 persons whose employment was terminated in June under authority conferred upon the Secretary of State by the McCarran rider (title I, Public Law 490, 79th Congress).

Assistant Secretary John E. Peurifoy had requested the Board to make a review and to make such recommendations for further action as the Board considered desirable. The Board in reaching its decision had available statements made by a number of the employees whose services had been terminated.

The Department has accepted the recommendations of the Board and the persons concerned have been notified.

Charles Rayner Resigns as Petroleum Adviser

The Department of State announced on September 29 the resignation of Charles Rayner, Adviser on Petroleum Policy. For texts of the exchange of letters between the Secretary of State and Mr. Rayner, see Department of State press release 779 of September 29, 1947.
Reorganization of Office of Near Eastern and African Affairs

The Office of Near Eastern and African Affairs was reorganized on September 18, 1947, as follows:

Division of Near Eastern Affairs (NE), with supervision over matters concerning Palestine, Transjordan, Lebanon, Syria, Iraq, Egypt, Anglo-Egyptian Sudan, Saudi Arabia, Yemen, and Arabian Principalities.

Division of South Asian Affairs (SOA), for formerly the Division of Middle Eastern and Indian Affairs, with supervision over matters concerning Pakistan, Afghanistan, India, Nepal, Burma, and Ceylon.

Division of African Affairs (AF). (No change.)

Division of Greek, Turkish, and Iranian Affairs (GTI), with supervision over matters concerning Greece, Turkey, and Iran.

Resignation of William A. Eddy as Special Assistant

Acting Secretary Lovett announced on September 26 that William A. Eddy submitted his resignation effective October 1 as Special Assistant to the Secretary of State for Research and Intelligence. For text of Mr. Lovett's letter to Mr. Eddy see Department of State press release 775 of September 26.

W. Park Armstrong Appointed Acting Special Assistant

Acting Secretary Lovett announced on September 26 that W. Park Armstrong would serve as Acting Special Assistant to the Secretary of State for Research and Intelligence, effective October 1, 1947.

Paul C. Daniels Appointed U.S. Representative on Inter-American Council

The Acting Secretary of State announced on October 3 the appointment of Paul C. Daniels, United States Ambassador to Honduras, as Representative of the United States on the Inter-American Economic and Social Council, effective immediately. Ambassador Daniels has been called to Washington on consultation in order to participate in the preparatory work for the Bogotá conference which is being undertaken by the Inter-American Economic and Social Council.

PUBLICATIONS

Committee of European Economic Cooperation. Vol. I—General Report


General statement of the problems of European economic recovery, the plans of the 16 European countries concerned to meet these problems, and the assistance which these countries believe necessary from the U.S. and other non-European countries and agencies.

Inter-American Coffee Agreement


Extends and modifies present Inter-American Coffee Agreement, and provides for a survey and analysis of the world coffee situation by the Inter-American Coffee Board.
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## General Policy

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Citizens Food Committee Inaugurates Conservation Program:
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## Publications: Department of State

Marietta Daniels, author of the article on the assembly of librarians of the Americas, is a member of the staff of the Hispanic Foundation of the Library of Congress.

T. J. Wootter, author of the article on the Hemisphere development of social services, is Director of Research, Federal Security Agency.

George A. Morlock, author of the article on the accomplishments of the Commission on Narcotic Drugs, is Chief of the Narcotics Section, Division of International Labor, Social and Health Affairs, Office of International Trade Policy, Department of State.
POSITION OF U.S. DELEGATION ON PALESTINE QUESTION • Statement by U.S. Deputy Representative to U.N. 761

THE PROGRAM OF THE INTERDEPARTMENTAL COMMITTEE ON SCIENTIFIC AND CULTURAL COOPERATION:

Biblioteca Benjamin Franklin • Article by Andy G. Wilkison 755

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Vol. XVII, No. 433 • Publication 2941

October 19, 1947

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
The Bulletin presents an article on a phase of the work of the Interdepartmental Committee on Scientific and Cultural Cooperation: Biblioteca Benjamin Franklin. It represents a particular activity of interagency planning in concert with similar groups in the other American republics. The Bulletin of September 28 contained articles on the Committee itself and on the inter-American agricultural program, and in the issue of October 12 there appeared two articles on the Assembly of Librarians of the Americas and on Hemisphere development of social sciences.

The Biblioteca Benjamin Franklin in Mexico is the largest, the oldest, and one of the busiest of the United States libraries abroad. It was established in Mexico City by the U.S. Government in 1942 and is administered by the Department of State. In many respects it is a unique institution, even in the library world. It provides service over half a million times a year with only 25,000 volumes.

A collection of United States books in another country, like that in almost any U.S. public library, conveying in concrete terms U.S. history, government, literature, science, and technology, is a valuable and enduring way of increasing understanding among other peoples of the United States way of life. The libraries run by the United States Government overseas are a long-range medium and a relatively permanent way of achieving this purpose.

As an institution, the United States information libraries are a living expression of important facts about this country. They present this country, our people, and our thinking to other peoples in an available and objective way which allows them freely to discover for themselves the history and character of the United States. The crowded reading rooms of the U.S. libraries all over the world prove that we have millions of friends who are making such discoveries. These libraries have nothing to sell, nothing to give away, but, we believe, a great deal to share.

The Benjamin Franklin Library in Mexico City was established for the purpose of increasing friendly relations and understanding between the peoples of Mexico and the United States through the medium of books, periodicals, information services, and educational activities. In the short period since its establishment, it has become one of the best known as well as one of the most popular and respected institutions among the State Department’s varied activities comprising the in-
formation and educational-exchange program in Mexico.

The opportunity in Mexico for such an institution as the Benjamin Franklin Library had been apparent for some years to library observers and scholars in both Mexico and the United States. As early as 1939, tentative plans had been drawn up for its establishment. Lack of funds, however, prevented further progress until July 1941, when money for the project was secured through the joint efforts of the Office of the Coordinator of Inter-American Affairs and the Department of State. Since July 1943 funds to support the library have been provided to the Division of Libraries and Institutes, Department of State, by the Interdepartmental Committee on Scientific and Cultural Cooperation.

A contract between the Coordinator's office and the Department and the American Library Association assigned to the latter the funds and the responsibility of establishing and administering the new library. Representatives of the Association were sent to Mexico to discuss such an enterprise with Mexican officials. Unanimous approval was given to the plan.

An old home on the beautiful Paseo de la Reforma was leased, and remodeling was begun to convert it into library quarters. At the same time, a board of directors, consisting of three prominent Mexicans and six Americans, heads of local civic groups, was formed. This board, advisory in nature, holds monthly meetings with the director and deputy director—librarian to discuss library policies and activities.

Harry M. Lydenberg, former director of the New York Public Library, consented to serve as librarian of the institution which was to become so widely known in Mexico as the Biblioteca Benjamin Franklin. He set to work recruiting a staff of trained librarians, Mexican and American, as well as a clerical force of both nationalities.

A representative collection of approximately 5,000 volumes was agreed upon by the United States Department of State, the Office of the Coordinator, and officials of the American Library Association, and the actual selection of books for the library was delegated to specialists in each field. As their lists were received in the headquarters of the American Library Association, orders were placed with publishers. Books were shipped to the New York Public Library, where they were prepared for the shelves of the new institution, following which they were forwarded to Mexico in anticipation of the inaugural date.

At the formal opening of the Benjamin Franklin Library in April 1942, President Manuel Avila Comacho expressed the sentiments of the Mexican people when he stated that the United States had sent Mexico "a permanent embassy of pan-American good will." He hoped, he said, that this institution would ever serve as an instrument of high ideals and mutual friendship between the two countries.

Due to the inadequacy of the seating capacity of the auditorium to accommodate the unexpected crowds who came, three evenings were devoted to special programs for representative local groups. After this auspicious beginning, people from every walk of life came to use the library and to depend and rely on the services which it features.

As the founders and library experts had anticipated, heavy demands were at once made on the Reference Department in the fields of medicine, science, art, in technical subjects, and in current periodicals covering all phases of culture in the United States. The library's collection was, therefore, given particular emphasis in these special categories. Periodical indexes, encyclopedias, bibliographies, government documents, dictionaries, and the usual indispensable reference publications form an especially strong section among the books in this library. They are constantly consulted by patrons or by the reference librarian in assisting readers with their requests for information.

Some idea of the wide-spread acceptance of the library by the people of Mexico may be gathered from a brief statement of statistics indicating increases in readers over a four-year period. In its first year of existence, the library served 18,371 readers, 33,793 in the second year, 77,728 in the third, and 133,361 in the fourth. The book collection for the identical period increased in almost the same ratio.

The Benjamin Franklin Library is at present serving daily approximately 600 patrons and is unusually liberal in giving access to its books. Reading is encouraged in every way possible. To registered borrowers, of which there are more than 14,000, books are lent for home use. The library
staff of professional Americans offers advisory and reference services to all visitors. Books are mailed, on request, to outlying cities for responsible use, and information service by correspondence also comprises a considerable volume of the library's activities. All these services and many more are given without charge, with a minimum of red tape.

The Benjamin Franklin Library is endeavoring to make available information about the United States desired by Mexicans and to work closely with all educational institutions of that Republic. Mexicans have become accustomed to U.S. innovations in library service introduced to their country with the advent of the Benjamin Franklin Library. Before 1941 very little literature was available on all aspects of life and thought in the United States; consequently, there was little or no opportunity for Mexicans to obtain a clear picture of the civilization, aims, and ideals of the people of the United States. Misunderstanding, as well as inaccurate and misleading information, was the rule rather than the exception. For many thousands of Mexicans, this situation has been corrected through the facilities of this U.S. institution. The immediate delivery of a requested book, the prompt answering of questions, research and reader guidance, and many other functions of a public library which have been accepted as a matter of course in the United States were library developments which were new to Mexicans. The dictionary catalog, a simple and necessary index to library collections and familiar to most North American schoolboys, is not yet thoroughly known to Mexican borrowers or generally used by Mexican librarians.

Many Mexican librarians have begun visiting the Benjamin Franklin Library to study and to observe a United States library in action. Countless questions have been answered by the professional staff of the library. Requests for technical advice and assistance have been met by sending professional U.S. librarians to the Mexican institutions concerned for explanation of methods and procedures, and suggestions have been made for the development of U.S. library techniques in those libraries.

From the outset the library has engaged in many extracurricular educational activities. Among the more important was the sponsoring, until recently, of an English-language institute, wherein thousands of Mexicans received instruction from experienced American teachers. This work has lately been taken over by the Instituto Mexicano-Norteamericano de Relaciones Culturales under its own separate identity and occupying different quarters. Enrollment for the present semester is over 2,600 students.

The effects of the English-teaching program are noticeable in a variety of ways. Many of the students have become confirmed habitués of the library; others read a larger proportion of books in English than formerly; and still others have formed fast friendships with Americans through an interchange of lessons and correspondence arranged by the library, which speeds up their mutual learning of a foreign language. Mexican teachers of English have attended the English-teaching classes, where they have absorbed up-to-date methods of teaching and have improved their own knowledge of the language. In this manner, standards of instruction have been raised in the teaching of English throughout the Republic of Mexico.

Another of the library's extracurricular activities is the arrangement from time to time of lectures by visiting Americans outstanding in some particular field. Often these lectures are given in Spanish but more generally in English. Scholars noted for their research, writings, and lecturing ability invariably draw capacity crowds to the library auditorium.

Frequent musical programs by noted American artists are held in the library. The National Art Gallery, the Museum of Modern Art, and the Metropolitan Museum of Art have collaborated with the library in sending to Mexico several outstanding exhibitions for display to the Mexican people. Mexican paintings, both of the old masters and of the modern school, have been exhibited in the library.

Motion pictures, particularly documentary films on travel and educational subjects, have made a noteworthy contribution toward a better understanding and appreciation by Mexicans of U.S. life, culture, and progress. Radio programs in which books are reviewed and discussed and in which leading intellectuals of Mexico and the United States participate are also a very popular activity of the library.
Inter-library loan privileges, by which books may be borrowed from the Library of Congress or from college and university libraries in the United States for the use of Mexican readers, have contributed greatly not only to an appreciation of American library services but also toward serious research by Mexican scholars. The inter-library loan service is supplemented by other important services. When the library is unable to provide from its own collection materials requested by readers, microfilm or photostat copies can be secured from U.S. libraries at a very nominal cost to Mexican scholars. In the case of microfilm copies, library patrons are also privileged to use the library's microfilm-reading machines without charge. The two machines are engaged a major portion of the time despite the lack of proper space for microfilm-reading purposes.

In order that this reproduction of materials may not be an entirely unilateral affair, a complete and thoroughly modern photoduplication laboratory has been installed in the Benjamin Franklin Library. Funds for the necessary equipment were obtained from the Rockefeller Foundation. A local technician, George Smisor, was appointed in charge and given a thorough training course in all the latest methods and equipment for the proper conduct of such a laboratory. Mr. Smisor was sent on a tour of observation throughout the United States. He visited manufacturers of photographic equipment and inspected their laboratories. He also visited the installations of other organizations, including those of college and university libraries. The library, through Mr. Smisor, has free access to every important Mexican depository. This privilege has been of inestimable value to American scholars and institutions seeking reproductions of Mexican documents and manuscripts. The library has established a reputation for trustworthiness, and hence scholars can borrow rare treasures from various Mexican depositories, bring them to the laboratory, copy them, and return them the same day, thus exemplifying to Mexican libraries American efficiency and reliability.

To further the principles of reciprocity, the library has, whenever and wherever possible, secured for Mexican libraries either microfilm or photostat copies of Mexican documents and manuscripts from American sources when the original is not to be found in Mexico. Many priceless treasures have thus come to be represented in their proper place. Additionally, Mexican photoduplication-laboratory technicians are given assistance and advice to help them raise the standards and proficiency of their work.

The extent to which the services of the laboratory are utilized by American scholars can best be illustrated by the following examples:

For the distinguished historian, Herbert Eugene Bolton, University of California, the laboratory has produced more than 55,000 microfilm exposures of Mexican historical treasures and at present is photographing on microfilm for the Colegio de Mexico a private collection which will run to over 750,000 exposures. When completed, these microfilms will provide a valuable historical source for all Americans.

For the library, the laboratory has filmed many priceless Mexican documents and manuscripts. A special cabinet has been constructed to house the films, and a catalog of the collection is available, though not in published form. Professors, teachers, and others are always welcome to make use of the films and the library microfilm-reading machine for research purposes.

Although the work of the laboratory has been of tremendous value and the volume of work produced has been large, cramped quarters, lack of a microfilm-duplicating machine for more widespread dissemination of positive prints, inadequate water supply, and other obstacles seriously hamper operations. Increased space and additional equipment would permit the laboratory to double its volume, thus accommodating to an even greater extent scholars and institutions of both the United States and the host country.

A Union Catalog of Publications in Series in the Biological and Medical Sciences available in selected Mexican libraries constitutes another important activity in which the Benjamin Franklin Library has been closely associated. Funds for compiling the Union Catalog were secured from the Rockefeller Foundation, mainly through the individual efforts of Harry M. Lydenberg. Dr. Lydenberg's successor, Rudolph Gjelsness, drafted the technical instructions for the personnel selected to compile the information for the Union Catalog. Professional staff members of the Benjamin Franklin Library were released from their posts.
to accept positions on the catalog project. Mexican clerical assistants were hired and trained for this important and complicated task by the professional librarians in charge of carrying out the operations. The library furnished quarters for the editorial staff of the project. Dr. Gjelsness, in addition to his duties as director of the library, supervised both the editorial staff and the field workers. The entire project was a collaborative effort in which the library gave technical advice and direction, the Rockefeller Foundation furnished the funds, and the Comision Impulsors y Coordinators de la Investigacion Cientica agreed to publish the finished work, as well as to cooperate with the staff and the library in making arrangements for the surveying of each Mexican library.

It is felt that this publication, when it appears, will be of great benefit to all libraries. Its use as a reference tool should be quite extensive, particularly among specialists in biological and medical fields. Furthermore, it should be helpful to Mexican libraries and librarians in coming to agreement on an economy program involving the discontinuance of duplicate subscriptions and the concentration in one library of all parts of series. Assisting nearby institutions to complete sets through exchange of duplicates offers another opportunity for closer collaboration among Mexican libraries, thanks to information to be found in the Union Catalog.

A complete file of all the holdings of the selected libraries in their respective fields is available for use at the Benjamin Franklin Library. It has been consulted by many professional men and is used extensively by the reference librarian.

The extremely popular children's room at the Benjamin Franklin Library has made some notable contributions in furtherance of library service to young people. A separate and distinct department within a general library, where the books, librarian, and activities are devoted specifically to children, is itself a novelty in Mexico.

Illustrated children's books, likewise, are a very recent development in Mexico. From the hundreds of such books available to children in the United States, only the outstanding are chosen for presentation to Mexican children. Usually the feasibility of translating these titles into Spanish is given very careful consideration by the children's librarian.

In view of the fact that in Mexico very few children read English, the translation of these stories is the only manner in which good books can be used to the best advantage by a larger number of children of all classes. For this reason the library has translated and had printed the texts for over 90 books. The translations are then tipped into the book below the English version in such a way that the illustrations are kept intact, and at the same time so arranged that the children can compare the English text with the Spanish translation.

This presentation of a story in two languages captivates young Mexican readers, many of whom are learning considerable English by the comparative method.

The popularity of illustrated books for children has penetrated all Latin America. Argentina, in particular, is now issuing many in Spanish, and in Mexico the Secretaria de Educacion is publishing a number of very worthwhile books with good illustrations. The example and the success of this type of publication in the United States has not, therefore, gone unnoticed in Latin America.

Story hours for children, another activity of the children's librarian and assistants, attract a regular following. Each Friday afternoon stories are told in Spanish for the benefit of those children who know no English. The stories are based on the best-loved children's books and are often illustrated with slides made by the photoduplication laboratory technician. Following these story hours there is always a great clamor for the book or books on which the tales are based. Unfortunately, there are never enough copies to supply the demand. These story-hour activities have been exceedingly well received and have resulted in phenomenal increases in registration of new borrowers. One hundred and seventy-four children registered in one month recently for an all-time high record. At present, more than one fourth of the total registrations at the Benjamin Franklin are children.

A story hour over the radio is contemplated, in which English and Spanish versions will be alternated. Plans are drawn for expanding this program to include reviews of books in all fields in the adult level as well as interviews with well-known authors. This type of program has been conducted with great success in the past. It was, un-
fortunately, discontinued because of the shortage of qualified personnel to prepare script and do the actual broadcasting and of lack of funds to maintain this activity on the same high plane.

Free movies are presented to the children each Saturday, two performances being given in the morning to a special group known as the Ejercito Infantil, which comprises approximately 300 outstanding boys who have been selected for special training in citizenship, in courtesy, cleanliness, good manners, and some military training. Attractive uniforms and incidental expenses for their upkeep are borne by the supporting agencies, the Mexican Government and El Universal, a daily newspaper of Mexico City. Two more performances are given in the afternoon to all other children. Between 500 and 600 children attend the four Saturday performances. Travel and educational films are stressed, with a comic feature generally included. Sound tracks are, in most cases, in Spanish. When in English, Spanish captions are provided.

This audio-visual type of activity whets the reading appetites of Mexican children to a remarkable extent. The children's room is deluged with eager borrowers following each performance. Quarters for the children's room are so small that the overflow extends out on the roof of the building, up and down the stairs, or wherever a place may be found to sit down and read.

To increase the circulation of books in English, the children's librarian gives classes in English to the Spanish-speaking children during the school vacation period, November to February. Great interest has been evinced by many who are anxious to learn English. Games, folk dances, songs, and other media will be utilized in conjunction with regular teaching methods.

Children's library service is not confined solely to the Benjamin Franklin Library, nor to Mexico City proper. Revolving deposits of picture books have been sent to the Club Infantil, a home sponsored by the Cruz Blanca, where homeless children are cared for. Through the cooperation of Señora Esperanza Brito, who is in charge of this institution, the books are made available to these children within the building. Señora Esperanza Brito is of the opinion that this particular activity will stimulate a desire for more and better reading material.

The translated picture books are also sent on a three months' loan deposit to other places in the capital and to surrounding cities. Many of these books have been sent to the two children's schools in Mexico City: Parque Lira and Casa Amiga de la Obrere No. 2. Outside Mexico City this same type of book has been placed on loan deposit with the Colegio Americano and the Instituto Normal, both in the city of Puebla. In the Instituto Normal these books are used as illustrative material in teacher classes.

Books in English have been placed on loan deposit in nursery schools in Mexico City; in the Colegio Americano in Puebla (for use in the upper grades); in a private home in Chapala, where several families are sharing books due to lack of a school in that particular area; in Guanajuato in six missionary schools; and in the home of a family near Oaxaca, where no school is available and where the mother of the family acts as tutor for her four children. Books are chosen for various age levels of the children, who, when they have finished reading them, write reviews which are forwarded to the library and are posted on the bulletin board. These reviews are the subject of much curiosity and comment from local children as well as from adults.

Other activities, such as bulletin-board and special exhibits, provide a great deal of instruction and entertainment. The children cooperate in arranging and posting exhibits, making puppets and staging puppet plays, and solving jigsaw puzzles which form outlines of countries, flowers, animals, or faces of famous personalities. Classes in painting are held for limited numbers of students on Saturday mornings and afternoons. These classes are so popular that the library was compelled to limit the number of children admitted. Murals depicting stories, murals to be shown during Book Week, and other current topics are subjects chosen for artistic endeavors.

Establishment of branches of the library in the cities of Guadalajara, Monterrey, and Puebla is contemplated. The Benjamin Franklin Library has opened a vast new field for the effective use of books, magazines, and information services. These are instruments for drawing ever closer together the bonds between two neighbors, whose future must irrevocably be based on friendliness and trust, achieved only through understanding.

Department of State Bulletin
THE UNITED NATIONS AND SPECIALIZED AGENCIES

Position of U.S. Delegation on Palestine Question

STATEMENT BY U.S. DEPUTY REPRESENTATIVE TO THE UNITED NATIONS

1. The problem of the future government of Palestine confronts the General Assembly of the United Nations with a heavy and complex responsibility. The General Assembly, having assumed responsibility for making recommendations to the United Kingdom on the subject, must do everything within its power to evolve a practical solution consistent with the principles laid down in the United Nations Charter.

2. The United States Delegation feels that the urgency of the problem is so great that the General Assembly must recommend a solution at this session. The degree of urgency has been brought to our attention by continued violence in Palestine, by the context of the Special Committee's report, and by the statement of the delegate from the United Kingdom regarding the recommendations of the Committee and future British responsibilities in Palestine.

3. During the past weeks this Committee has had the benefit of the views of several members of this Committee, and has heard statements by the representatives of the Arab Higher Committee and the Jewish Agency for Palestine on behalf of the peoples primarily concerned. The United States Delegation believes that this discussion has been of material assistance and hopes that it will continue on the broadest basis.

4. It may be recalled that as a result of the First World War, a large area of the Near East, including Palestine, was liberated and a number of states gained their independence. The United States, having contributed its blood and resources to the winning of that war, felt that it could not divest itself of a certain responsibility for the manner in which the freed territories were disposed of, or for the fate of the peoples liberated at that time. It took the position that these peoples should be prepared for self-government and also that a national home for the Jews should be established in Palestine. The United States Government has subsequently had long and friendly relations with the independent states which were created in the Near East and is happy to note that most of them are members of the United Nations and have representatives present at this meeting.

5. It may be recalled, with regard to Palestine, that in 1917 the Government of the United Kingdom, in the statement known as the Balfour Declaration, announced that it viewed with favor the establishment in Palestine of a national home for the Jewish people and that it would use its best endeavors to facilitate the achievement of that object, it being clearly understood that nothing should be done which might prejudice the civil and religious rights of existing non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country. In 1923 the objectives stated in this Declaration were embodied in the League of Nations Mandate for Palestine which was entrusted to the Government of the United Kingdom as mandatory. As the United States was not a member of the League of Nations, a Convention was concluded between the United States and the United Kingdom in 1924 with regard to American rights in Palestine. The Palestine Mandate is embodied in the Preamble to this Convention. The United States consented to this Mandate. Members of this Committee are aware of the situation which subsequently developed in Palestine and of the many efforts which have been made to achieve a settlement. We now have before us a report of the Special Committee

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1 Statement made at meeting of the ad hoc Committee on Palestine of the General Assembly on Oct. 11, 1947, and released to the press by the U.S. Mission to the U.N. on the same date. Herschel V. Johnson is the U.S. Deputy Representative to the United Nations.

THE UNITED NATIONS AND SPECIALIZED AGENCIES

of the United Nations with regard to the Palestine Question.

6. The United States Delegation supports the basic principles of the unanimous recommendations and the majority plan which provides for partition and immigration. It is of the opinion, however, that certain amendments and modifications would have to be made in the majority plan in order more accurately to give effect to the principles on which that plan is based. My delegation believes that certain geographical modifications must be made. For example, Jaffa should be included in the Arab State because it is predominantly an Arab city.

My delegation suggests that the General Assembly may wish to provide that all the inhabitants of Palestine, regardless of citizenship or place of residence, be guaranteed access to ports and to water and power facilities on a non-discriminatory basis; that constitutional guarantees, including guarantees regarding equal economic opportunity, be provided for Arabs and Jews alike, and that the powers of the Joint Economic Board be strengthened. Any solution which this Committee recommends should not only be just, but also workable and of a nature to command the approval of world opinion.

7. The United States Delegation desires to make certain observations on the carrying out of such recommendations as the General Assembly may make regarding the future government of Palestine. The General Assembly did not, by admitting this item to its agenda, undertake to assume responsibility for the administration of Palestine during the process of transition to independence. Responsibility for the government of Palestine now rests with the mandatory power. The General Assembly, however, would not fully discharge its obligation if it did not take carefully into account the problem of implementation.

8. Both the majority report and the statement of the United Kingdom representative in this Committee raise the problem of carrying into effect the recommendations of the General Assembly. We note, for example, that the majority report indicates several points at which the majority thought the United Nations could be of assistance. It was suggested that the General Assembly approve certain steps involved in the transitional period, that the United Nations guarantee certain aspects of the settlement concerning Holy Places and minority rights, that the Economic and Social Council appoint three members of the Joint Economic Board, and that the United Nations accept responsibility as administering authority of the City of Jerusalem under an international trusteeship.

9. The United States is willing to participate in a U.N. program to assist the parties involved in the establishment of a workable political settlement in Palestine. We refer to assistance through the U.N. in meeting economic and financial problems and the problem of internal law and order during the transition period. The latter problem might require the establishment of a special constabulary or police force recruited on a volunteer basis by the U.N. We do not refer to the possibility of violation by any member of its obligations to refrain in its international relations from the threat or use of force. We assume that there will be Charter observance.

10. In the final analysis the problem of making any solution work rests with the people of Palestine. If new political institutions are to endure, they must provide for early assumption by the people themselves of the responsibility for their own domestic order. Acts of violence against constituted authority and against rival elements of the local population have appeared in Palestine over a period of many years and have greatly increased the difficulties of finding a workable solution to this complex problem. Certain elements have resorted to force and terror to obtain their own particular aims. Obviously, this violence must cease if independence is to be more than an empty phrase in the Holy Land.

11. Mr. Chairman, we must now consider how this committee is to take the next step in dealing with this question. If the committee favors the principles of the majority plan, we should establish a subcommittee to work out the details of a program which we could recommend to the GA [General Assembly].

12. The recommendations reached by the GA will represent the collective opinion of the world. The problem has thus far defied solution because the parties primarily at interest have been unable to reach a basis of agreement. This is a problem in the solution of which world opinion can be most helpful.
The Economic and Social Council

Recognizing that the Latin American countries are faced with serious post-war problems of economic adjustment threatening the economic stability of these countries, with their less developed economies, and

Recognizing that co-operative measures among the American republics can be of practical assistance in raising the level of economic activity in Latin America and in maintaining and strengthening the economic relations of these countries both among themselves and with other countries of the world, and that such measures would be facilitated by close co-operation with the United Nations, as well as with the agencies of the Inter-American system.

Establishes an ad hoc Committee consisting of Chile, China, Cuba, France, Lebanon, Peru, United Kingdom, United States of America, and Venezuela;

Decides upon the following terms of reference for the Committee:

1. The Committee shall consider the factors bearing upon the establishment of an economic commission for Latin America within the framework of the United Nations and shall present to the Council a report with recommendations concerning the creation of such a commission;

2. The Committee may consult with interested agencies both within and without the United Nations, and shall ascertain the views of the Ninth International Conference of American States convening in Bogotá in January 1948;

Requests the Secretary-General to give special and immediate aid to the Committee by initiating studies defining and analysing the economic problems of Latin American countries which threaten the stability and development of their economies.

EXPRESSIONS OF SUPPORT BY CERTAIN LATIN AMERICAN GOVERNMENTS

During the discussion of the Chilean proposal (E/468) for the establishment of an Economic Commission for Latin America at the Fifth Session of the Economic and Social Council, messages supporting the establishment of such a Commission were received by the Secretary-General from Bolivia, El Salvador, Guatemala, Mexico, and Uruguay, and were presented to the Council.

After the conclusion of the session, the Secretary-General received further messages supporting the proposal from Latin American Governments.

The complete list of Latin American governments which have now communicated to the Secretary-General expressing themselves in favour of the proposal is as follows:

Argentina
Bolivia
Brazil
Colombia
Costa Rica
Dominican Republic
Ecuador
El Salvador
Guatemala
Haiti
Honduras
Mexico
Nicaragua
Panama
Paraguay
Uruguay

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Current United Nations Documents: A Selected Bibliography

Atomic Energy Commission

Economic and Social Council


Resolutions adopted by the Economic and Social Council during its Fifth Session from 19 July to 16 August 1947. E/573, September 2, 1947. v, 101 pp. printed. [S1.00.]


1Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

Department of State Bulletin

General Assembly


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List of Committee Secretariats for the Second Regular Session. A/INF/12, September 23, 1947. 9 pp. mimeo.


—Letter From the Bulgarian Delegation Addressed to the Assistant Secretary-General Dated 2 October 1947. A/C.1/203, October 2, 1947. 1 p. mimeo.


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Security Council


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Draft Resolution on the Greek Question Submitted by the Representative of the United States at the Two Hundred and Second Meeting of the Security Council. S/552, September 15, 1947. 1 p. mimeo. [To turn over related documents to the General Assembly.] 

Letter From the Chairman of the Commission of Investigation Concerning Greek Frontier Incidents to the President of the Security Council Dated 15 September 1947 and Enclosed Telegram From the Chairman of the Subsidiary Group. S/554, September 15, 1947. 3 pp. mimeo.

Resolution on the Greek Question Submitted by the Representative of the United States and Adopted by the Security Council at Its Two Hundred and Second Meeting. S/555, September 15, 1947. 1 p. mimeo.


—No. 30, 123rd Meeting, 28 March 1947. 25 pp. printed. [30¢.]

—No. 32, 125th Meeting, 3 April 1947. 16 pp. printed. [10¢.]

—Special Supplement No. 3. Report of the Committee on the Admission of New Members. v, 58 pp. printed. [50¢.]

Trusteeship Council


U.S. Delegation to ICAO Meeting on Multilateral Air Transport Agreement

[Released to the press October 9]

The President announced on October 9 the composition of the United States Delegation to the meeting to be convened at Geneva, November 3, 1947, by the International Civil Aviation Organization on the multilateral air-transport agreement. The chairman of the Delegation is Garrison Norton, Assistant Secretary of State, and the vice chairman is Oswald Ryan, vice chairman of the Civil Aeronautics Board. Delegates are Russell B. Adams, director, Economic Bureau, Civil Aeronautics Board; Livingston T. Merchant, chief, Aviation Division, Department of State; and Stuart G. Tipton, general counsel, Air Transport Association. Advisers are John C. Cooper, member, Institute for Advanced Study, Princeton, N. J.; Paul T. David, alternate representative on the Council of icao and U.S. representative on the Air Transport Committee of icao; and Robert J. G. McClurkin, Jr., assistant director, Economic Bureau, Civil Aeronautics Board. The secretary of the Delegation is Richard S. Wheeler, Division of International Conferences, Department of State.

Congressional representation has been invited on this Delegation, but information was not available on October 9 as to which members of Congress may attend the meeting. In addition, representatives of the major United States airlines engaged in international air transportation have been invited to send representatives for advice and consultation with the official Delegation.

The meeting has been called by the icao Council at Montreal in accordance with a resolution adopted by the First Assembly of icao in May 1947. The meeting, which is in the form of a commission, will be open to all member states. Its object will be the development of an agreement respecting the multilateral exchange of commercial rights in international civil air transport.

Office of U.S. Delegation to Economic Commission for Europe

There has now been established the Office of the United States Representative to the Economic Commission for Europe (ECE) with headquarters at Geneva. The ECE is a regional commission of the Economic and Social Council of the United Nations. The United States Representative will be responsible to the Secretary of State.

Paul R. Porter has been designated as the Alternate to William Clayton, the United States Representative, and will act as resident head of the office at Geneva. The Mission for Economic Affairs (MEA) at London, of which Mr. Porter has been Acting Chief, will be dissolved, and its functions and part of its staff will be absorbed by the Office of the United States Representative to ECE.

Department of State Bulletin
End of Proceedings of the Austrian Treaty Commission

[Released to the press October 11]

The proceedings of the Austrian Treaty Commission, which has been in session in Vienna since May 12, 1947, were brought to an end on October 11, 1947.

In accordance with a decision taken by the Council of Foreign Ministers at Moscow on April 24, the Austrian Treaty Commission was established at Vienna to examine all of the disagreed questions of the Austrian treaty with the object of reconciling the different points of view of the four Allied Governments. At the conclusion of the Moscow Conference (March–April 1947) the Council of Foreign Ministers had reached agreement on the preamble and 33 of the 53 articles in the Austrian treaty. The 20 disagreed articles involve five basic issues: the Austro-Yugoslav frontier; displaced persons; military and air restrictions; German assets (article 35); and property of United Nations nationals (article 42). Through a subsidiary body, the Committee of Experts, the Treaty Commission was to give special consideration to articles 35 and 42 and to the establishment of concrete facts. The Treaty Commission, it should be noted, was never intended to have plenipotentiary powers to conclude agreements but only powers to investigate and to make recommendations to the Council of Foreign Ministers for the resolution of differences.

In carrying out the work entrusted to it by the Council of Foreign Ministers, the Treaty Commission has held 85 meetings. The proceedings were largely devoted, after preliminary discussions of procedural matters, to an extensive examination of the basic types of German assets, namely, oil properties, the Danubian Steamship Company (DOSO), financial institutions (including insurance companies), industry, and state property. These investigations necessarily involved discussions of various United Nations properties and interests. At the end of its meetings the Treaty Commission also reviewed the remaining disagreed articles.

The United States and other delegations have presented to the Treaty Commission in detail the concrete facts with respect to various properties in the main categories of German assets and with respect to corresponding cases of United Nations property. It is believed that this comprehensive presentation has resulted in a more exact understanding of the character and scope of the German assets problem: a vague but complex set of issues has been broken down into component parts, and the various drafts for article 35 have been revised in the light of this exhaustive analysis of the problem and compilation of new information.

The Treaty Commission did not agree on a text of article 35 for recommendation to the Council of Foreign Ministers, and the positions of the respective delegations on the main points of difference were in general reaffirmed. The Treaty Commission was able, however, to achieve a common approach on certain limited aspects of the German assets problem, and its discussions have defined the issues in such a manner as to facilitate the consideration of the principal differences by the Council of Foreign Ministers meeting in London on November 25. The many papers of the Treaty Commission setting forth concrete facts and the numerous discussions of specific cases of assets have made it possible for the separate delegations to draft comprehensive reports as a basis for renewed considerations of this difficult problem at London.

The United States regrets the undue delay in reaching agreement on the outstanding points of difference in the Austrian treaty. In the hope of obtaining an Austrian treaty at the earliest possible date and on the basis of the work done by the Treaty Commission in Vienna during the summer, the United States will make every effort at the forthcoming meeting of the Council of Foreign Ministers to resolve those issues, which have become a matter of international concern.

October 19, 1947
ACTIVITIES AND DEVELOPMENTS

REVIEW OF AGREEMENT ON ECONOMIC FUSION OF U.S. AND U.K. ZONES IN GERMANY

[Released to the press October 7]

Anglo-American discussions which will review the terms of the Byrnes-Bevin agreement of December 2, 1946, providing for the economic fusion of the American and British zones 1 in Germany, began on October 8 in Washington, D.C.

The American and British Delegations participating in these discussions are as follows:

American Delegation
Assistant Secretary of State Charles E. Saltzman, Chairman, U.S. Delegation
Assistant Secretary of State Willard L. Thorp
Ambassador Robert D. Murphy, Political Adviser, Berlin
Under Secretary of the Army William H. Draper, Jr.
Assistant Secretary of the Army Gordon Gray
Gen. Lucius D. Clay, Military Governor (U.S.), Germany
Frank A. Southard, Jr., Director, Office of International Finance, Treasury Department

British Delegation
Sir William Strang, Head of Delegation, Political Adviser to the Commander in Chief, British Forces of Occupation in Germany
Sir Mark Turner, Principal Adviser on German Economic Affairs to the Foreign Office
Sir Gordon Munro, Financial Minister, British Embassy, and Head of U.K. Treasury Delegation
J. H. Penson, Adviser on German Economic Affairs, British Embassy
Maj. Gen. N. C. D. Brownjohn, Deputy Chief of Staff (Policy), Control Commission for Germany (British Element)
D. L. Anderson, Vice President, Economic Subcommission, Control Commission for Germany (British Element)
P. H. Dean, Head of German Political Department, Foreign Office

1 For text of agreement, see BULLETIN of Dec. 15, 1946, p. 1102.

The discussions are being held pursuant to a British request made in accordance with paragraph 12 of the fusion agreement which provides for review at yearly intervals. The British Government has indicated that it is encountering increasing difficulties in contributing dollars for the payment of essential imports into Germany. It will be recalled that the fusion agreement provided that the cost of minimum essential imports (foodstuffs, seeds, fertilizers, and petroleum products) paid from appropriated funds would be borne equally by the two parties. The cost of such imports has been running close to 700 million dollars a year, and it has been necessary to make the great bulk of these expenditures, which have been principally for food, in dollars.

Articles on Geneva Charter for an ITO

The series of articles entitled “The Geneva Charter for an International Trade Organization” will be concluded in the October 26 issue of the BULLETIN with an article on cartel and commodities policy and an article on the constitution of the ITO. The following articles have already appeared: “Introduction” and “General Commercial Provisions” in the BULLETIN of September 28; “Quantitative Restrictions” and “Employment and Economic Developments” in the BULLETIN of October 5; and “Subsidies and State Trading” in the BULLETIN of October 12.
New Communist Manifesto Must Not Deflect Program for Aid to Europe

STATEMENT BY ACTING SECRETARY LOVETT

[Released to the press October 8]

The Department has examined carefully the material which has appeared in the Soviet press concerning the recent meeting in Poland of representatives of the Communist Parties of nine European countries and the decision to establish in Belgrade an information bureau consisting of representatives of the Central Committees of the Communist Parties of these countries. The Department has noted that responsible cabinet ministers of certain countries, including the Soviet Union, were included among these representatives. It has also taken careful note of the terms of the manifesto issued by this conference, which maligned the aims of the American and British people in the recent war and carried to new lengths the distortions of United States policy with which the Communist press everywhere has recently been replete.

The documents issued by the Warsaw conference speak for themselves. The parties and governments associated with this program have made clear their intention to prevent, if they can, the economic recovery of Europe. People in Europe who permit themselves to be misled by these malicious and unscrupulous distortions will be taking a heavy responsibility on themselves, for there could be no possibility of avoiding economic disaster in Europe if the concepts of the Warsaw conference were to prevail.

For Americans, this is a time for coolness and clarity of judgment. We must not allow ourselves to be deflected from the course we have chosen, and we must continue to study with sympathy but with calm realism the problem of how Europe can be assisted to regain its proper place in a stable and peaceful world.

U. S. To Return Italian Naval Vessels Allotted Under Terms of Peace Treaty

MESSAGE FROM THE SECRETARY OF STATE TO THE ITALIAN FOREIGN MINISTER

[Released to the press October 7]

The Government of the United States has determined to decline to accept any of the Italian naval vessels allotted to it under the terms of the Treaty of Peace with Italy and of the Four Power Naval Protocol of February 10, 1947.

The United States Government has not forgotten the valiant service of the Italian Navy in association with our own Naval forces during Italy's cobelligerency. It is the desire of the Government of the United States that these former vessels of war be scrapped and utilized by Italy, under the terms of the Protocol, as a contribution to the continued recovery of the Italian economy. Thus these weapons of war may in the end serve Italy's reconstruction and the building of a peaceful life for the Italian people.

October 19, 1947
Italian Gold Uncovered by Allies Returned to Italian Government

The Governments of the United Kingdom and the United States, on one hand, and the Government of Italy, on the other, on October 10 entered into an agreement whereby approximately 28 million dollars of Italian monetary gold uncovered by the Allied military forces at La Fortezza in northeastern Italy on May 6, 1945, will be turned over to Italy. The Allied military authorities in Italy have been instructed to proceed with the immediate transfer of this gold to the Italian Government.

The gold uncovered at La Fortezza represents almost the total Italian monetary-gold stock remaining on Italian territory at the end of the war. Subsequent to the Italian armistice in 1943, the German Commander in Italy ordered the transfer of all gold held in the vaults of the Bank of Italy at Rome to Milan. This gold was later stored for safekeeping in tunnels at La Fortezza near Bolzano, Italy. As the Allied armies moved northward in Italy during 1944, however, the Germans removed to Berlin the larger part of the gold stored at La Fortezza. When units of the United States Fifth Army operating under combined Anglo-American command occupied the Bolzano area in May 1945, the remaining Italian monetary gold stored at La Fortezza was uncovered. The gold was removed to the vaults of the Bank of Italy at Rome where it has since remained under the custody of the Allied military authorities in Italy.

The text of the agreement signed at London is as follows:

1. The gold which was captured at Fortezza by the Allied Forces in Italy from the German forces, which was still in the custody of officials of the Bank of Italy at the time of capture, and which has since that time remained in the custody of the appropriate agency of the Allied military authorities, shall be turned over to the Italian Government now that the treaty of peace signed in Paris on February 10, 1947 has entered into force.

2. The Italian Government will immediately appoint representatives to discuss with the Allied military authorities the necessary details of transferring this gold from the custody of the Allied military authorities to the custody of the Italian Government.

The present protocol shall be deemed to have come into force on the day of the coming into force of the treaty of peace. In faith whereof the undersigned plenipotentiaries have signed the present protocol.

Done in London in triplicate this 10th day of October 1947 in the English and Italian languages, both texts being equally authentic.

The agreement was signed on behalf of the Government of the United States by Waldemar J. Gallman, American Chargé d’Affaires; for the United Kingdom by Foreign Minister Ernest Bevin; and for Italy by Bartolomeo Migone, Italian Chargé d’Affaires.

Negotiations To Return Horses Seized in Germany to Owning Countries

In the fall of 1945 and subsequently, the War Department shipped to the United States a number of horses which had been seized by American forces at various remount depots in Germany and which were considered to be captured German war material. Subsequent to the arrival of the horses in this country, the Governments of Poland, Yugoslavia, and Hungary advised the Department of State that many of the horses which had been brought to this country under this program had originally been looted by the Nazis from the countries concerned. These claims were transmitted by the Department of State to the War Department with a request that they be investigated and that, if they were found to be substantially correct, the animals in question be returned to claimant governments.

In the spring of 1947 the War Department advised the Department of State that, upon consideration of all the factors which had been called to its attention, it was prepared to release to claimant governments such horses as could be identified by them as having been originally looted by the Germans.
Since then negotiations have been proceeding with a view to such identification. As a result of these negotiations a first shipment of some 120 horses is to leave this country about November 1 for Trieste. Upon arrival these animals will be turned over to the Hungarian Government; a small number of other Hungarian horses may be disposed of by that Government in the United States. Negotiations on the Polish and Yugoslav claims are continuing, and shipment of any horses found to belong to those countries will be made at a later date.

The return of horses to the respective owning countries has the support of both the Department of the Army and the Department of State. This position is based on the determination by the Department of State that the horses in question are not properly considered as captured enemy material, as originally supposed, but rather as property looted from countries while they were under German occupation.

Additional Oil Tankers To Relieve World Transport Shortage

[Released to the press by the White House October 10]

The Assistant to the President, John R. Steelman, announced on October 10 that 96 oil tankers are to be added to the active world supply. This decision was reached at a White House meeting on October 9 of the interdepartmental committee recently appointed by Mr. Steelman, with Granville Conway, Coordinator of Emergency Export Programs, as its chairman. The addition of 96 tankers to the world tanker fleet will go far to relieve the shortage of oil-transportation facilities in the United States and abroad, Mr. Steelman said.

At the meeting of the committee, composed of representatives of the Departments of State, Navy, Interior, Commerce, the Maritime Commission, and the United States Coast Guard the following steps were agreed upon for immediate action:

1. The Navy Department will recondition and put into operation with all possible speed 26 mission-type T-2 tankers now in the laid-up fleets. These tankers will be operated by private shipping companies, with merchant crews, for Navy account.

2. The Maritime Commission will recondition 24 of the militarized T-2 type tankers now in the laid-up fleets. These two actions, Mr. Steelman said, will release to private industry about 50 of the merchant tankers that are presently carrying oil for the military establishment.

3. The Maritime Commission will sell 46 of the T-2 type merchant tankers now in the laid-up fleets to foreign countries for reconditioning and operation.

"It is anticipated that the addition of these 96 tankers to the world fleet should make a major contribution toward bringing tanker tonnage into balance with oil supply", Mr. Steelman said.

Medical Vaccines Shipped to Greece

[Released to the press October 6]

A shipment of medical vaccines was sent from New York by air on October 4 and was due to arrive in Greece on October 6. This is part of an emergency shipment of 90,000 bottles of diphtheria, 10,000 packages of smallpox, 30,000 bottles of typhus, and 720 bottles of cholera vaccine which was requested by the American Mission for Aid to Greece to assist in safeguarding the health of the estimated 150,000 refugees in northern Greece. These supplies will be distributed free by the American Mission. The balance of the request is to be shipped by water.

Proclamation of Peace Treaties

President Truman on September 15, 1947, proclaimed the treaties of peace with Italy, Rumania, Bulgaria, and Hungary and further proclaimed that the state of war between the United States and those countries terminated on the same date. The treaties entered into force on September 15, 1947, upon the deposit of instruments of ratification at Paris by the United States, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and France in the case of the Italian treaty, and by deposit of instruments of ratification at Moscow by the United States, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland in the case of the treaties with Rumania, Bulgaria, and Hungary.

October 19, 1947
American Aid to Greece—A Step Toward Lasting Peace

BY LOY W. HENDERSON

It has been suggested that I talk to you briefly about our policies in respect of Greece and regarding recent trends and developments in that country. It is perhaps significant of the times in which we are living that I should be discussing with you matters relating to modern Greece. Not many years ago assembled graduates and students of our great educational institutions would have been much more likely to find themselves listening to learned discourses regarding various aspects of ancient Greece to which we of the Western World owe so much.

I am afraid that the days in which any American group can quietly devote itself to the consideration of the beauties and perfection of the great classical age without worries with regard to what is taking place in this modern world are gone and that such days will not return, at least during our lifetime. The events of recent years have forced upon the United States certain tremendous international responsibilities, the shirking of which would be certain to result in disaster to the whole world, including ourselves. Individual American citizens are becoming increasingly aware of this fact and more and more deeply concerned as to the manner in which these responsibilities should be and are being discharged. It is not surprising, therefore, that we should be talking tonight about the problems of modern Greece, for the survival of which we have certain grave international responsibilities.

During recent years few events have caused the American people more acutely to realize the seriousness of their new international responsibilities than the statement made by the President to the joint session of Congress on March 12 of this year. That statement, it will be recalled, began with these words:

"The gravity of the situation which confronts the world today necessitates my appearance before a joint session of the Congress.

"The foreign policy and the national security of this country are involved."

When the President tells Congress that he is speaking on a subject which involves the security of the United States, every mentally active and loyal American citizen becomes alert. He will immediately want to know what it is that involves our national security and what should be done about it.

The President went on to state frankly what was menacing our security. "... totalitarian regimes," he said, "imposed on free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States." He pointed out that totalitarian regimes had already been forced upon the peoples of a number of countries against their will and indicated that peoples of various other countries must have aid if they were not also to lose their freedom. He emphasized the fact that reports which we had received from our representatives in Greece confirmed the statement of the Greek Government that Greece must have assistance if it was to survive as a free nation. He asked Congress to provide authority for assistance to Greece and Turkey. He added:

"This is a serious course upon which we embark.

"I would not recommend it except that the alternative is much more serious. . . .

"The seeds of totalitarian regimes are nurtured by misery and want. They spread and grow in the evil soil of poverty and strife. They reach their full growth when the hope of a people for a better life has died.

"We must keep that hope alive.

"The free peoples of the world look to us for support in maintaining their freedoms.

"If we falter in our leadership, we may endanger the peace of the world—and we shall surely endanger the welfare of our own Nation."

The Congress heeded the appeal of the Presi-
dent. It granted the authority which he requested. Under this authority we are endeavoring at the present time to carry out concrete programs of relief for both Greece and Turkey.

Before I talk to you further about Greece, I would like to quote another passage from the President’s address. He said:

“I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

“I believe that we must assist free peoples to work out their own destinies in their own way.

“I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.”

I am referring to these remarks because in various quarters they have been misinterpreted to such an extent as to give rise to misunderstandings with regard to our policies. They have, for instance, been interpreted to mean that it is the policy of the United States to help free peoples everywhere who are resisting attempted subjugation by armed minorities or by outside pressures in precisely the same manner as that in which we are helping the people of Greece and Turkey. A careful examination of this passage and of its context does not justify any such interpretation. It should be clear that the form and the amount of the aid to be given by the U.S. must depend upon the circumstances of each case. In making the necessary decisions a number of factors must, of course, be taken into consideration, such as the extent to which the people concerned might be determined to do their utmost to maintain their own independence and fully to utilize such aid as we might be able to give, the amount of strain which the giving of really effective aid might place upon our own resources as well as upon our ability to aid still other peoples, the economic situation of the people seeking aid, and so forth. Such additional aid as we might be able to give to the countries of Europe or of other continents is certain to vary both with regard to manner and content. As you are aware, at the present time we are considering certain proposals from a number of European countries for financial assistance on a basis radically different from that of either our Greek or Turkish programs. Such assistance as we may give would be another effort on our part to carry out the policy enunciated by the President of assisting free peoples to work out their own destinies in their own way.

There has been a certain amount of criticism of the manner in which authority was sought from Congress to extend aid to Greece and Turkey. It has been said, for instance, that the Executive Branch of the Government employed a piecemeal approach; that it should have gone before Congress and before the American public with a broad plan which would have taken global needs into consideration and would have allotted to Greece and Turkey their proper place in some carefully elaborated world scheme.

As a member of the Department of State who was in a position to witness the rapid march of events which led to the President’s appeal to Congress, I should like to stress the fact that the Greek crisis broke with such suddenness and with such urgency that there was no time to wait for the working out of some regional or world scheme into which aid to Greece could be integrated. The British Ambassador on February 24 of this year handed to the Secretary of State the note indicating that the British Government, in view of the economic situation in Great Britain, would not be able to extend aid to Greece after March 31. It was clear almost from the moment of the receipt of that note that there would be a complete economic and political collapse of Greece unless the Greek people could be given grounds for the hope that aid would be coming to them in the near future from the United States. This hope of aid, furthermore, if effective, should be given simultaneously with, or prior to, the announcement of the British cessation of aid. Why, it may be asked, had it not been possible to foresee the coming Greek crisis? The answer is that it was already public knowledge that the economic situation of Greece was desperate, that this situation had its origin in the physical destruction and the damage to morale brought about by the war and had been sharpened by the intermittent warfare carried on since the war by armed groups under Communist leadership receiving encouragement and support from countries contiguous to Greece. For several months we had been trying in vain to find some way to help Greece within the framework of existing legisla-

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tion. It was becoming increasingly clear, however, that if the United States were to aid Greece, funds for that purpose must be appropriated by Congress. A direct approach to Congress on such a subject would, however, involve the making of decisions of great importance and would have wide repercussions. It would, for instance, not be possible to explain to Congress the situation in Greece and the reasons why the United States should extend aid without emphasizing the fact that in spite of the sacrifices of the war years, in spite of the solemn pledges taken by the victor nations, in spite of the existence of the United Nations, there were still in the world powerful aggressive elements which were intent on depriving peoples of their freedom and of replacing democratic governments with totalitarian regimes. An approach to Congress would mean the serving of formal notice upon the American people that there were still great sacrifices to be made if we were again to have any justifiable sense of security. It was obvious that no approach involving such serious implications should be made to Congress until we were sure of the facts of the Greek situation and were quite certain that only action on the part of Congress could save Greece. In order that we should be entirely certain of the facts, it had been decided as far back as January to send Mr. Paul Porter at the head of a group of experts to Greece to study in detail the economic needs and capabilities of that country. Meanwhile, the possibilities of economic assistance to Greece by an international agency were explored, but it was found, as President Truman stated, that the United Nations and its related organizations were not in a position to extend help of the kind that was required.

The situation was rendered all the more critical by the fact that not only was British economic assistance to cease on March 31 but in addition UNRRA was scheduled to terminate its valuable operations in Greece in the near future. It was evident that with the removal of these two props, the Greek economy would entirely collapse. At the same time, Mr. Porter's interim reports from Greece indicated that American assistance would have to be extensive and should be tendered as soon as possible if chaos were to be averted. It thus became unmistakably clear that if Greece were to retain its independence, Congress must be informed at once of the situation.

As the result of the understanding reception on the part of Congress to the appeal of the President, we are now engaged in a great struggle to help Greece save itself. We knew in advance that this struggle would not be an easy one. It is not easy. We are trying to help save a country which ever since its liberation from the Ottoman Empire has been poverty-stricken, a country which has always been faced with the problem of limited natural resources. The material losses suffered by Greece during the war and postwar years have been heavy. Property has been destroyed which had been created over the years as the result of arduous labor and self-deprivation. Even in an atmosphere of peace and security, it would be difficult for Greece without outside aid to rehabilitate itself. Unfortunately, such an atmosphere does not exist. Greece is still torn with internal strife stimulated and encouraged from without. No one in Greece is sure what the morrow will bring. This uncertainty with regard to the future has existed for more than seven years.

In spite of the poverty of the country, in spite of the material and moral strain under which Greece is laboring, the friends of Greece are not discouraged. Greece has a number of assets which give it hope for the future. Its chief asset lies in the stubborn individualism, in the fierce love of democracy, and in the firm patriotism of the great mass of the Greek people. The suffering and the moral and physical fatigue have not undermined the national will to retain independence. We must not overlook the fact, however, that people to the north of Greece, who also were liberty-loving and patriotic, have lost their freedom and their independence as a result of foreign pressures and internal intrigue.

I have come back from Greece with some rather definite impressions, which I would like to present in the hope that what I say may be helpful in correcting what seem to me to be a number of erroneous ideas with regard to Greece and the Greek people, which in some way or other have become rather prevalent in the United States.

There is the idea, for instance, that liberalism in the real sense of the word is dying out in Greece; that the Greek people are drifting either towards the extreme right or into the totalitarianism of what is frequently referred to as the extreme left. I am convinced that the great bulk of the popu-
lation of the country is still liberal at heart. The people of Greece still cherish the ideals of tolerance and democracy. This spirit of liberalism is not the monopoly of any Greek political party or group. It is deeply imbedded among both royalists and republicans and in most of the political parties of the present Parliament, regardless of whether such parties are in the center or to the right or left of center. There is no doubt that the excesses committed both by the extreme right and by the Communists and their associates have given rise to bitter hatreds and animosities. Many persons who consider themselves, or members of their families, to have been the victims of wrongs and injustices are out for vengeance. Nevertheless, the overwhelming majority of the Greek people are deeply shocked at manifestations of intolerance. So long as they retain this spirit of real liberalism and the dislike of excesses, there is hope for the future of Greece.

Another idea which seems to have gained considerable ground in this country is that the population of Greece is gradually being divided into two economic groups—the very rich and the very poor; that the Greek people have been impoverished by profiteering merchants and grafting politicians; that if the rich would be compelled to disgorge, much of the poverty would be eliminated. The idea is also false. It is true that during the confusion of recent years profiteering and graft did flourish in limited circles and that a number of sizable fortunes were accumulated at the expense of the general public. There are today, however, relatively few rich people in Greece; certainly many less than there were before the war. If, in fact, the fortunes of those Greeks who could be classified as wealthy should be confiscated and distributed among the whole population, the improvement of the economic situation of the average Greek would be hardly noticeable. In this connection I may add that the Greek Government at the present time, with the aid of the American Economic Mission to Greece, is taking stern measures to prevent graft, corruption, and profiteering. The Greek Government is also engaged in overhauling the tax and financial structure of the country, with the purpose of bringing it more in keeping with modern concepts of economic and social justice.

There is also the erroneous idea that great numbers of the Greek workers are no longer interested in the maintenance of Greece as an independent country, and that they have secret or open sympathies for the guerrillas. The Greek Government has not outlawed the Communist Party nor banned its press. Exceeding their legal rights, however, the Communists have utilized the devious and surreptitious means of which they are masters in attempting to increase their influence over the masses of the Greek people. The average Greek worker, nevertheless, is still a loyal Greek citizen. He wants Greece to remain independent and democratic. As could be expected in any country in such a difficult economic situation as Greece, labor difficulties develop from time to time. Strikes are frequently called. Some of these strikes are undoubtedly Communist-inspired. Most of them, however, represent sincere efforts on the part of the participants to bring about improvements in their own living and working conditions. An incident which took place in August will help to shed some light upon the attitude of Greek labor during the present crisis in Greece. A committee of public-spirited Greeks was attempting to raise by subscription a fund to assist the Greek refugees who had been driven by the guerrillas from their homes in the north. Greek labor union leaders pointed out that Greek workers would like to contribute to the fund, but that most of them had nothing to give except their labor. They suggested to the committee that the members of Greek labor unions might give to the fund the proceeds of a special day of work. The suggestion was accepted by the committee and on a single Sunday more than 250,000 Greek workers voluntarily and enthusiastically labored all day and turned their earnings over to the fund.

Although the efforts of the Communists to obtain control of the Greek trade union movement have not as yet met with success, loyal and patriotic Greek trade union leaders and members dare not for a single moment relax their vigilance. It is through the trade unions that the relatively small number of Communists have succeeded in several European countries in attaining positions from which they are able to exercise tremendous political and economic power. The Communists are confident that if they can once get their hands on some of the levers which control organized Greek labor they will be in a position to paralyze
Greece for a sufficient length of time to enable the guerrillas and their allies to put an end once and for all to Greek independence. Despite the fact that the Communists are in a minority in the Greek trade unions, the Communist danger to that movement is real. Communist trade union members are especially skilled in the fields of ideology, propaganda, tactics, organization, and leadership. With their superior training they frequently succeed in deceiving, outwitting, and eventually displacing loyal and patriotic trade union leaders who are interested primarily in promoting the welfare of the Greek worker and who are not accustomed to approaching trade union problems with the purpose of advancing or opposing any particular political theory.

Unfortunately, Greek trade union members are not alone in their failure at times quickly to discriminate between the genuine friends of the workers and agents of the totalitarians masquerading as promoters of democracy and defenders of labor. The Greek authorities themselves, in endeavoring to restore law and order and to combat the treasonable conspiracy against Greece in which the Communists and their allies are the ring leaders, sometimes fail to distinguish between the members of that conspiracy and sincere patriotic friends of the Greek workers. As a result, on several occasions some of the most earnest opponents of Communist control of the Greek trade union movement have found themselves under suspicion and have even been placed temporarily under arrest.

Mistakes of this kind are, of course, extremely helpful to the Communist cause, both within and without Greece. We cannot, however, be unduly critical of the lack of understanding, on the part of many of the Greek workers and of the Greek authorities, of the intricacies of the Greek trade union movement. We find in many parts of the world situations in which the Communists, with superior skill and training, are weaving a web around the trade unions while loyal and patriotic trade union leaders and members as well as responsible members of society outside the trade unions remain in a state of apathy.

It is encouraging that the Greek authorities and responsible members of Greek trade unions are becoming more deeply conscious of what is going on in the trade union movements in Greece and that there is a good possibility that there will gradually emerge from the present state of confusion strong and healthy democratic Greek trade unions intent on advancing the welfare of the Greek workers in a framework of an economically healthy and independent Greek state.
the purpose of saving the country from the gravest danger that has faced it for over a hundred years. There is also an unfounded idea regarding our policies toward Greece which I would like to try to remove: that is, that the American Government, in its desire to assist Greece, has gone into the business of overthrowing or setting up governments in that country. It is true that we are convinced that American aid to Greece would be more effective under a Greek Government supported by the overwhelming majority of loyal Greek citizens. The American Government, however, in keeping with its principles of respecting the sovereignty of other independent countries and with its desire to aid Greece in maintaining its independence, has not at any time, directly or indirectly, attempted to force any particular government on Greece. We have not, however, failed to make clear on appropriate occasions that no matter how much aid we may furnish to Greece, the independence and integrity of that country can be preserved only if the great body of loyal and patriotic Greek citizens cooperate in the defense and the rehabilitation of the country. We have also from time to time indicated our conviction that such cooperation could best be obtained under a government which possesses the confidence of the vast majority of the Greek people.

The Communists and their friends have attempted to foist another misconception on the world: that is, that the Greek guerrillas fighting in the hills are engaged in a struggle for freedom and democracy. Fortunately, this conception has not been widely accepted. It is generally recognized, in the United States at least, that the guerrillas are controlled by the Communist Party, whose sole aim is to establish in Greece the same kind of totalitarian government that has already been imposed on the peoples of some of the countries adjacent to Greece.

It is well known that the rank and file of the Greek guerrillas are not Communists, that they do not share the aims of their leaders. Some few are common criminals and bandits who have become merely the tools of their Communist leaders. The majority, however, are political opponents of the Greek postwar governments who by now are almost thoroughly disillusioned and disgusted with their Communist leadership, or are villagers conscripted by force for guerrilla activity. The hard core of Communists and their convinced followers certainly does not exceed 30 to 40 percent of the total. Why then do the rest remain in the hills?

This question is all the more pertinent since on September 15 the Greek Government offered an amnesty promising pardon, security, and the opportunity of gainful employment to those guerrillas who do surrender. The answer is that the non-Communist guerrillas do not surrender because they cannot. They are under the brutal discipline and the kind of supervision and observation which we have learned to associate with a police state. Our latest information is that the guerrillas operate in bands of ten. In each band there are three or four Communists who are charged with preventing the others from escaping or from attempting to surrender to the Greek authorities. The Communist leaders of the Greek rebels have made it clear that they will shoot anyone whom they find trying to take advantage of the current amnesty and that vengeance will be wreaked on the families of those who succeed in surrendering themselves. Neither the non-Communist guerrillas nor anyone else familiar with totalitarian tactics can have the slightest doubt that such threats will be carried out.

You may well wonder how the relatively small number of guerrillas, twenty to thirty thousand at most, can continue to carry on. They, of course, benefit greatly from the mountainous terrain that constitutes much of northern Greece and the area in which the guerrillas are concentrated. Furthermore, they are able when sorely pressed to fall back on bases outside Greece for rest and reorganization. This aid and assistance furnished Greek rebels from abroad is a major factor in the survival of the Greek guerrillas as a fighting force. The Balkan investigating commission established by the United Nations early this year found, after thorough investigation on the spot, that “Yugoslavia, and to a lesser extent Albania and Bulgaria, have supported guerrilla warfare in Greece.” The Commission reported that Greece’s northern neighbors had provided military training, hospitalization, refuge, and supplies to the Greek rebels. The U.N. Subsidiary Group, which continued these investigations until most recently, states that assistance of this nature is still being given. Foreign aid to the guerrillas has been on such a scale that it is estimated by one of our most competent and...
best-informed observers that if the northern Greek frontiers could be sealed and the flow of assistance stopped, guerrilla activity in Greece might well be decreased by at least half within the space of one month.

Foreign assistance has also taken the form of vociferous propaganda. The world Communist press has recently begun to publicize the announcements emanating from the guerrilla headquarters as communiqués issued by the “supreme command of the Greek Democratic Forces” in an obvious effort to portray the current skirmishes as a full-scale civil war. These communiqués, of course, glorify guerrilla activities as a struggle against Fascist reaction. More concretely, in several countries, Communists and Communist-front groups are forming organizations to collect money and other kinds of assistance for the Greek rebels.

It is interesting to note that, according to our information, the Greek rebels receive no food from abroad. This omission is significant and provides some insight into Communist aims and methods. Lacking food, the Greek guerrillas cannot remain inactive but must continue their raids on villages and on peasant supplies. In turn, these raids for food result in swelling the number of forced recruits, frightening the peasants from their villages, reducing the amount of land under cultivation, preventing the harvesting of crops, increasing the number of refugees, and, in short, promoting want and chaos, two of the principal weapons in the Communist arsenal.

In their effort to seize control of the country, the Greek Communists have used every means which they can devise to foster disorder and privation. Sabotage of railroad lines, mining of roads, destruction of key power facilities are among the instruments employed to block reconstruction and recovery of Greece, to render ineffective American aid to Greece, and to paralyze the efforts of Greeks to help themselves. The forces of destruction have certain advantages over those of construction. It takes only a few minutes and several pounds of explosives, for instance, to destroy a bridge into the building of which have gone thousands of tons of material and many years of human labor. The Communist aims and methods are well known in Greece and recognized for what they are: condemnation of a whole people to near-starvation, poverty, and hopelessness so that an armed minority may finally bend to its will a nation proud of its traditional devotion throughout the ages to the cause of freedom and democracy. This, I say, is known in Greece and is, I believe, beginning to be recognized by American public opinion as a whole.

It may be that I have dwelt overly long on misconceptions which I fear may have gained certain credence here and elsewhere, but I consider it vital that all of us know the true facts in the current Greek situation and that we realize and understand the forces that are at work. One of the heartening developments of recent months has been the support afforded by American public opinion to the Government in its efforts to achieve a peaceful and stable world society. I am sure that support of such efforts will continue so long as the American people are fully informed of the issues involved, and of the reasons for our course of action, and of the aims for which we strive.

I should like, therefore, to conclude these remarks with regard to Greece on an affirmative note. The President, the United States Government, and, I feel sure, the American people are convinced that our policy in respect of Greece is a just and honorable one. It is not a hostile gesture against any nation. It is not a step toward war, as the Communists and their friends insist, to help a prostrate ally rise to her feet, unless indeed there are forces which would prefer war to the reconstruction of a democratic and independent nation in southeastern Europe. Rather, American aid to Greece is a step toward peace, the only kind of lasting peace possible in the present world, a peace based on free democratic nations able and willing to carry out the high purposes of the United Nations, the first of which is to maintain international peace and security.

U.S. Denies Merger of Greek and Turkish General Staffs

[Released to the press October 10]

The attention of the Department of State has been drawn to published rumors that the United States is sponsoring the merger of the Greek and Turkish General Staffs.

The Department categorically denies that there is any basis whatsoever for such rumors.
Meeting of Board of Foreign Scholarships

SCHOLARSHIPS TO PAY IN PART FOR U.S. WAR SURPLUSES

The Board of Foreign Scholarships, appointed last July by President Truman under terms of the Fulbright law, met in Washington on October 8 and 9 to put into operation the program by which foreign governments may pay in part for American overseas war surpluses with scholarships in their own schools for American students.

The Board is made up of—

Gen. Omar N. Bradley, Administrator of Veterans Affairs
Sarah Gibson Blanding, President of Vassar College
Walter Johnson, professor of history, University of Chicago
Francis Trow Spaulding, New York State Commissioner of Education
Ernest Orlando Lawrence, professor of physics, University of California
John Ward Studebaker, U.S. Commissioner of Education
Charles S. Johnson, President of Fisk University
Helen Constance White, professor of English, University of Wisconsin
Laurence Duggan, Director of the Institute of International Education
Martin P. McGuire, Dean of the Graduate School of Arts and Sciences, Catholic University of America

The Fulbright law, under which the Board will operate, provides for the most extensive international education program ever attempted by any nation. It authorizes Executive agreements with foreign governments for use of their currencies and credits acquired by the United States in payment for surplus properties overseas to finance studies and other educational activities of U.S. citizens in their own educational institutions.

A limit of $20,000,000 is placed on the amount that any one country may use, with the rate of use being limited to not more than $1,000,000 a year. Thus the program becomes at least a 20-year enterprise for any country wishing to avail itself of the maximum amount allowed by the law.

Indications given thus far by 23 of the nations which have been acquiring U.S. overseas war surpluses are that some $140,000,000 will be used within the next 20 years or more for carrying out the program. American war veterans, given a preference by law in the award of the scholarships, are expected to participate heavily in the plan.

While the foreign scholarships for American students are considered to be the most important part of the project, the law also permits the funds to be used for sending American specialists and teachers abroad to instruct in foreign schools and to participate in all types of enterprises conducted through foreign schools.

GREETINGS BY ACTING SECRETARY LOVETT:

Ladies and gentlemen: Out of small beginnings great movements have sprung to influence the course of history. This small group is meeting today to launch the most extensive and potentially the most momentous experiment in international education yet undertaken by any nation.

The United States is committed to the creation of a strong United Nations as the best safeguard against a universally destructive third world war. Under the terms of the Fulbright act we are about to forge, out of the surplus war materials of World War II, an important instrument for peace. This instrument will seek to create unity through understanding.

Of course this will take time, yet the program you will supervise also has immediate significance. It will serve as a symbol of America’s will to peace. The peoples of the world are being told by our detractors today that we are a materialistic nation interested only in selfish gain. There are those who are trying to capitalize on hunger and despair to convince our friends that the United States seeks economic and political domination. The operations made possible by the Fulbright act are a timely and extremely important device to reassure the peoples of more than 20 cooperating nations that America is really their friend.

I wish you well in the launching of this experiment in international friendship. Your responsibility is heavy. I am confident of your success.

October 19, 1947

Made at the opening meeting of the Board at the Department of State on Oct. 8, 1947, and released to the press on the same date.
The Department of State made public on October 7 the text of Security Principles of the Department of State and Hearing Procedure of the Personnel Security Board:

I. Security Principles of the Department of State

A. The Department of State, because of its responsibility for the conduct of foreign affairs, is a vital target for persons engaged in espionage or subversion of the United States Government. Due to this fact and because of the great number of highly classified communications which pass through the Department, the security of which is essential to the maintenance of peaceful and friendly international relations, it is highly important to the interests of the United States that no person should be employed in the Department who constitutes a security risk.

B. The Secretary of State has been granted by Congress the right, in his absolute discretion, to terminate the employment of any officer or employee of the Department of State or of the Foreign Service of the United States whenever he shall deem such termination necessary or advisable in the interests of the United States that no person should be employed in the Department who constitutes a security risk.

B. The Secretary of State has been granted by Congress the right, in his absolute discretion, to terminate the employment of any officer or employee of the Department of State or of the Foreign Service of the United States whenever he shall deem such termination necessary or advisable in the interests of the United States. Accordingly, in the interest of the United States, the Department of State will immediately terminate the employment of any officer or employee of the Department of State or of the Foreign Service who is deemed to constitute a security risk.

C. As used herein an officer or employee constitutes a security risk when he falls into one or more of the following categories: When he is--

1. A person who engages in, supports or advocates treason, subversion, or sedition, or who is a member of, affiliated with, or in sympathetic association with the Communist, Nazi, or Fascist Parties, or of any foreign or domestic party, organization, movement, group, or combination of persons which seeks to alter the form of government of the United States by unconstitutional means or whose policy is to advocate or approve the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States; or a person who consistently believes in or supports the ideologies and policies of such a party, organization, movement, group or combination of persons.

2. A person who is engaged in espionage or who is acting directly or indirectly under the instructions of any foreign government; or who deliberately performs his duties, or otherwise acts to serve the interests of another government in preference to the interest of the United States.

3. A person who has knowingly divulged classified information without authority and with the knowledge or with reasonable grounds for the knowledge or belief that it will be transmitted to agencies of a foreign government, or who is so consistently irresponsible in the handling of classified information as to compel the conclusion of extreme lack of care or judgment.

4. A person who has habitual or close association with persons believed to be in categories 1 or 2 above to an extent which would justify the conclusion that he might through such association voluntarily or involuntarily divulge classified information without authority.

5. A person who has such basic weakness of character or lack of judgment as reasonably to justify the fear that he might be led into any course of action specified above.

D. In the determination of the question whether a person is a security risk the following factors among others will be taken into account, together
with such mitigating circumstances as may exist.

1. Participation in one or more of the parties or organizations referred to above, or in organizations which are "fronts" for, or are controlled by, such party or organization, either by membership therein, taking part in its executive direction or control, contribution of funds thereto, attendance at meetings, employment thereby, registration to vote as a member of such a party, or signature of petition to elect a member of such a party to public office or to accomplish any other purpose supported by such a party; or written evidences or oral expressions by speeches or otherwise, of political, economic or social views;

2. Service in the governments or armed forces of enemy countries, or other voluntary activities in support of foreign governments;

3. Violations of security regulations;

4. Voluntary association with persons in categories C(1) or C(2);

5. Habitual drunkenness, sexual perversion, moral turpitude, financial irresponsibility or criminal record.

E. In weighing the evidence on any charges that a person constitutes a security risk the following considerations will obtain:

1. A former course of conduct or holding of beliefs will be presumed to continue in the absence of positive evidence indicating a change, both in course of action and conviction, by clear, overt and unequivocal acts.

2. There will be no presumption of truth in favor of statements made by the witnesses in any hearing on security risk, but their statements will be weighed with all the other evidence before the Hearing Board, and the conclusion will be drawn by the Board.

3. If a reasonable doubt exists as to whether the person falls into one of the categories listed in paragraph C(1), the Department will be given the benefit of the doubt, and the person will be deemed a security risk.

II. Hearing Procedure of the Personnel Security Board

A. Before any officer or employee of the Department of State or of the Foreign Service of the United States is summarily removed, under the provisions of the Department of State Appropriation Act, 1948, as a security risk, he shall be granted a hearing before the Personnel Security Board.

B. The officer or employee shall be served with a written notice of such hearing, at least 15 days before such hearing is to take place, and in any event in sufficient time to enable him to prepare for and attend such hearing.

C. So far as possible, without jeopardizing national security, such notice shall state the charges made against him, as fully and completely as, in the discretion of the Office of Controls (CON), security considerations permit. The officer or employee shall be informed in the notice of his privilege to reply to such charges in writing before the date set for said hearing, to appear before said Board personally at said hearing, to be accompanied, if he so desires, by counsel or representative of his own choosing, and to present evidence in his own behalf, through witness or by affidavit.

D. Evidence on behalf of the Department of State shall be presented to said Board by CON in advance of said hearing, and shall not be presented at said hearing. For security reasons the officer or employee, his representative or counsel, cannot be permitted to hear or examine such evidence, which shall be classified as confidential or secret, as the case may be.

E. At said hearing the Chairman of the Board shall preside; the officer or employee shall be permitted to appear personally, and either by himself, his representative or counsel of his own choosing, to present evidence in his own behalf, through witness or by affidavit. The officer or employee and his witnesses shall not be sworn except on their express request. Members of the Board may ask such questions of him and his witness as they may desire, but he and his witness shall not be required to answer. A stenotypist record will be made of the testimony.

F. After the record of the hearing has been reduced to writing, the Board will convene in executive session to reach a decision. In its consideration the Board shall be governed by the Security Principles of the Department of State. After examination of the evidence and following any desired discussion the vote shall be by ballot, and the decision will be by majority vote. The vote by
each member will be recorded, with any statement which he may desire to make as to his reasons therefor.

G. The finding of the Board will be either that (1) the Board finds insufficient evidence on which to adjudge the officer or employee a security risk; or that (2) the Board finds the officer or employee to constitute a security risk. In the event of a finding of insufficient evidence the Board may in its discretion recommend further or continued investigation of specific points on which they consider the record inadequate, or may recommend that the case be closed. The findings of the Board shall be accompanied by a brief analysis of the evidence, and an indication of the reasons of the Board for its decision. The record will be classified as secret and transmitted to the Secretary of State, with a copy to the Office of Controls.

STATEMENT BY HAMILTON ROBINSON

[Released to the press October 7]

Before discussing the security principles and the hearing procedure of the Personnel Security Board in detail, I should like to make a few general comments on the State Department's security program.

You are all aware of the special power conferred upon the Secretary of State by the so-called McCarran rider which was a part of the Appropriations Act of 1947 and has been continued in the 1948 Act. This gives the Secretary the right to terminate the employment of any State Department employee in his entire discretion, whenever he feels that such action is necessary in the national interest. This legislation is a recognition of the unusually sensitive nature of the operations of the State Department. However, it is apparent, and I think this is a very important commentary, that an unlimited power of this sort carries with it an equally grave responsibility that the power be used fairly and justly.

Thus the essential problem with which the people responsible for the security program are faced is to protect the security interests of the Department without violating the civil rights of any individual. If they lean too far in one direction they are accused of being witch-hunters and disregarding civil liberties. If they lean too far in the other direction they are accused of harboring subversive elements. The essential policy question, therefore, always is how far it is proper to insist upon security measures without doing unreasonable violence to civil liberties. Obviously, neither extreme is practicable or reasonable. A system of terminating employment upon mere suspicion or insufficient evidence might accomplish the security objective alone, but it would certainly violate all principles of civil rights. Similarly, the insistence upon evidence sufficient to stand up in a court of law with all the safeguards of our judicial process would protect civil rights, but all security considerations would necessarily have to be abandoned. This is the dilemma which can only be solved by the exercise of sound objective judgment by reasonable men.

In the case of the State Department, because of its sensitive nature, the balance must weigh somewhat more heavily in favor of security considerations than in the case of some other governmental agencies—not all of them, because War, Navy, and Atomic Energy Commission have at least as sensitive characteristics or very similar characteristics to those of the State Department. For this reason the State Department has consistently made a sharp distinction between loyalty and security, and I should like to emphasize that. The Department supports the President's loyalty program to the utmost, but it recognizes that an applicant or employee may be a security risk in the State Department and thus an undesirable State Department employee even though he may be entirely loyal and might not constitute a security risk in some other Government agency. For this reason State must adopt security principles which are more stringent than those of most Government agencies and may find it necessary to exercise its power under the McCarran rider on the basis of facts which are insufficient to warrant a claim or a charge of disloyalty.

At this point I want to emphasize that statistics indicate that the vast majority of all Gov-
government employees are both loyal and secure. It is the extremely rare case in which any derogatory information is developed as a result of investigation.

Based upon these fundamental concepts, it is the policy of the State Department to make a full investigation of every applicant for employment in the departmental and foreign services, as well as applicants sponsored by the Department for international and other organizations, and also to investigate fully all incumbent employees of both services where necessary. Based upon these investigations, a careful, sound, and reasoned evaluation is made of the facts developed, to determine whether the evidence justifies the conclusion that a security risk exists. If so, the Department will take steps to assure that the individual involved does not become or continue to be a State Department employee.

In carrying out the two phases of this program, namely, investigations and evaluations, the utmost care must be taken to nail down facts through painstaking search and cross-checking and to apply to these facts experienced and reasonable judgment. Only in this way can the two horns of the dilemma be avoided and the interests of the Government and of the individual both be served.

Turning now to the security principles and the hearing procedure of the Personnel Security Board—the announcement which has been given to you—I might explain their workings in general.

The security-principles paper sets up five categories of individuals who are considered security risks. This is in paragraph C. Paragraph D outlines the types of information and evidence (keyed into the categories) which the Board will consider in determining whether an individual falls within one of the categories. Paragraph E sets forth three basic principles which will guide the Board in its determinations. Of these, perhaps the most important is the third, which expresses the fundamental philosophy that the Government will be given the benefit of any reasonable doubt which may exist.

These principles have been approved by the Secretary of State and will govern the action of the Personnel Security Board so long as they remain in effect.

The procedures of the Board have been established by the Board itself, and I will, therefore, ask General Snow, who is the Chairman of the Board, to make any comments on them which he feels appropriate. Thereafter I will be glad to attempt to answer questions regarding the security principles or the security program in general.

**Appointment of Officers**

John D. Hickerson as Director for European Affairs, Office of European Affairs, effective August 24, 1947.


Joseph C. Satterthwaite as Deputy Director, Office of Near Eastern and African Affairs, effective September 12, 1947.

Reed Harris as Chief, Division of Communications and Records, effective August 10, 1947.
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The Department of State Bulletin

Vol. XVII, No. 434 • Publication 2951

October 26, 1947

The Department of State Bulletin, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The Bulletin includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
THE GENEVA CHARTER FOR AN INTERNATIONAL TRADE ORGANIZATION

The chapters of the Geneva draft of the ITO charter that deal with restrictive business practices and with commodity agreements retain the same approaches toward cartel and commodity policies that were set forth in the original American proposals and in the Preparatory Committee's London draft. But they have been so reorganized and rewritten as to clarify their provisions, and they have been so amended in detail as to meet a number of criticisms that had been made in the United States.

Cartel Policy

Chapter V of the charter represents the first international approach to the problems created by the restrictive business practices of commercial enterprises. The interwar period had demonstrated that such agreements could prevent or repress the flow of trade as effectively as any government-imposed tariff, quota, or embargo. Accordingly, it was recognized from the outset of the project that any international charter for the reduction of trade barriers and the promotion of employment and economic development would be incomplete if it failed to deal with the barriers created by certain kinds of business practices.

The chapter is based upon an agreed general policy concerning the prevention of restrictive business practices. Members agree, in effect, to take appropriate measures to prevent, within their respective jurisdictions, restrictive business practices affecting international trade, whenever such practices are harmful to production or trade and interfere with any of the Organization's basic objectives. In recognition of the fact that state-controlled enterprises may be as prone to engage in such practices as private ones, the obligation is applied with equal force to enterprises of both kinds. The obligation also is framed in such a manner as to make it clear that the restrictive business practices of a single enterprise, as distinguished from practices brought about by agreements among enterprises, are comprehended by the provision; in short, the practices of the combine as well as those of the cartel are treated in the chapter.

To lend added substance to the general undertaking of the members, the Organization is empowered to investigate allegedly harmful business practices which are complained of by any of the members. A series of six practices, in fact, is specifically designated as "subject to investigation" by the Organization. These practices were selected on the basis of the extensive information regarding the activities of cartels and combines which has accumulated in recent years, particularly in the United States.

Two of these enumerated practices deserve comment. The practice of "preventing by agreement the development or application of technology or invention whether patented or unpatented" relates to a device familiar in cartel history—a conspiracy among potential competitors to defer the application of new technological developments in...
their industry. In the chapter the practice is so described as to exclude the situation in which the possessor of certain technology simply defers its application without making any agreement with other parties on the matter. Another practice subject to investigation is the abuse of patents, trademarks, or copyrights; in the past, cartels have commonly abused such rights, using them as a means of developing harmful restraints on international trade. The inclusion of this provision in earlier drafts had raised the question of how the line could be drawn between permissible use and objectionable abuse, in view of the heterogeneous character of the various domestic patent, trademark, and copyright laws. This has been resolved in the Geneva draft by providing that the proper scope of the patent, trademark, or copyright grant is to be determined in any case by the domestic law of the country making the grant.

To insure the proper use of the Organization's powers of investigation, detailed procedures which are to be followed in the exercise of these powers are set out in the chapter. Briefly, an affected member country, acting on its own behalf or on behalf of a national, may complain in writing regarding certain business practices. If a preliminary screening indicates that the complaint may have substance, the Organization will conduct an investigation based on information obtained from members and from hearings at which the representatives of member governments and private parties, if the latter are involved, will be afforded reasonable opportunity to be heard. The Organization will then decide whether the practices in question are harmful, and, if so, it will notify all members and call upon them to take remedial action.

An alternative procedure to that of the complaint and investigation also is set out in the chapter. Any member affected by restrictive business practices carried on by commercial enterprises situated in other countries may request the Organization to arrange for consultation with such countries in order that the situation may be remedied by direct action. This procedure, which must initially be used if a complaint is directed against the independent practices of a state-controlled enterprise, may also be used in complaints against private enterprises.

The statement of general policy with which the chapter opens is bolstered not only by the complaint and investigation provisions but also by a series of specific obligations which the members undertake. These commitments include the provision that members shall take the necessary legislative and administrative measures to carry out the general purpose of the chapter. In carrying out this obligation, however, it is expressly stated that each member is expected to act in accordance with its particular system of law and economic organization. Moreover, while there is no obligation to accept and carry out all decisions of the International Trade Organization, each member agrees to take the fullest account of such decisions in determining the action considered appropriate in the light of its general obligations under the chapter. If a member takes no action in a particular case, contrary to the recommendation of the Organization, it is committed to inform the Organization of the reasons for its inaction and to discuss the matter with the Organization, if requested to do so.

One final feature of the business-practice provisions of the charter should be noted. New material was added at Geneva by the adoption of article 50, on procedure with respect to services. At the First Meeting of the Preparatory Committee in London, the question arose as to the inclusion within the scope of the chapter of international services, such as telecommunications, shipping, aviation, and insurance. It was the view of some delegations that the industries rendering these services were affected by special considerations and would in most instances be subject to the jurisdiction of new specialized agencies. The problem was reconsidered at Geneva, and agreement was reached upon the special procedures set forth in article 50. Briefly, the article provides that if any member considers that restrictive business practices exist in relation to an international service and that such practices have such harmful effects as to prejudice seriously the interests of that member, it may submit a case to any other members whose private and public enterprises are engaged in the practices in question. The members concerned will then attempt to reach a settlement through consultative procedures. If no settlement is effected by this means, the case may be presented to the International Trade Organization, which will then transfer it to the appropriate specialized
agency, if one exists, together with such observations as the Organization may believe warranted. If no such specialized agency exists, and if members request, the Organization may make recommendations as to remedial measures. There is also a provision for cooperation between the Organization and other intergovernmental organizations with respect to restrictive business practices in the services field, and the Organization is authorized to make special studies, as requested, on matters relating to services which fall within the scope of the charter.

Viewed as a whole, the chapter represents a great stride toward the development of international standards regarding elimination and prevention of trade barriers created by commercial enterprises. Whereas, in the past, few countries other than the United States and Canada placed limitations upon the right of their businessmen to engage in restrictive business practices, the adoption of this chapter will establish standards for the conduct of the enterprises of the trading nations of the world and will create the opportunity for all countries to move toward a common policy.

Commodity Agreements

It is recognized in chapter VI of the charter that certain primary commodities, such as foodstuffs, forest and fishery products, and minerals, are produced and distributed in international trade under such conditions that the corrective forces of the market do not readily bring about adjustment to changing conditions. In the case of certain agricultural products, demand and supply are relatively inelastic; surpluses tend to pile up; price depression persists; but producers cannot move rapidly enough to adjust themselves to the new situation. As a result large numbers of them all over the world suffer prolonged hardship. In the case of some minerals, specialized producing communities, which afford no opportunity for alternative employment, experience widespread unemployment even though the general level of world economic activity is not depressed.

Under these circumstances governments habitually have intervened in the processes of production and distribution. In some cases they have acted unilaterally, curtailing imports or subsidizing exports without regard for the consequences that these policies might have abroad. In other cases they have entered into agreements which sought to promote the welfare of producers by regulating output, trade, or prices with little regard for the consequences of such action for consumers, either abroad or at home.

It is the purpose of the charter to assure, first, that the action that any one government may take in these circumstances shall not adversely affect the interests of others and, secondly, that action which governments may agree to take jointly, in the interests of producers, shall not adversely affect the interests of consumers. Chapter VI of the charter is directed toward the second of these purposes. It permits governments to enter into agreements affecting international trade in primary commodities. They possess this power, of course, at the present time. The chapter does not deprive them of it. What it does is to limit the circumstances under which the power may be used and the manner in which it may be exercised. Commodity agreements are exempted from the general rules of trade policy laid down in the charter if they satisfy the conditions and contain the safeguards prescribed in this chapter. They are forbidden if they do not.

The chapter sets up a procedure under which a member who is substantially interested in a primary commodity and who experiences or foresees particular difficulties with respect to the international trade in that commodity may request the Organization to set up a study group. Such a group, composed of interested members—and, where appropriate, nonmembers—of the Organization, will conduct an investigation of conditions affecting the trade in the commodity and report its findings and recommendations to the Organization and its members. If in its opinion the situation requires such action, it may recommend the calling of a commodity conference for the purpose of preparing an intergovernmental commodity agreement. Members substantially interested in the commodity either as producers or consumers must be invited to participate in such a conference, and nonmembers may also be invited to do so. Members, in general, will not enter into any commodity agreement unless it is concluded in accordance with this procedure.

The agreements that may emerge from a commodity conference are divided into two general types. One type, called commodity-control agreements, includes all agreements that involve restric-
tions on production, exports, or imports or the regulation of prices. The other type includes all agreements that involve no such restraints. Both types of agreements must satisfy certain general requirements. Commodity-control agreements, in addition, must meet a number of conditions that are carefully prescribed.

All agreements must be open on equal terms to any member of the Organization. Countries substantially interested in the commodity as importers or consumers must be afforded adequate participation. Nonparticipating members of the Organization must be accorded equitable treatment. And all agreements must be accompanied, at every stage, by full publicity.

Commodity-control agreements may not be entered into unless one of two conditions exists. First, the commodity must be produced, in great part, by a large number of small producers; the demand for it and the supply of it must be relatively inelastic; a burdensome surplus must exist or be in prospect; and, as a result, there must be a threat of wide-spread hardship. These conditions might be satisfied in the case of several agricultural commodities. Secondly, demand for the commodity must be relatively inelastic; alternative occupational opportunities must be lacking in the areas where it is produced; and wide-spread unemployment must exist or be in prospect, with resulting hardship for large numbers of workers. These conditions might be satisfied in the case of certain minerals.

Commodity-control agreements concluded under such circumstances must be limited in duration and subject to periodic review. They must afford consuming countries and producing countries an equal voice. They must assure the availability of adequate supplies. They must provide increasing opportunities for satisfying world requirements from economic sources. And each country participating in such an agreement must adopt a program of economic adjustment designed to make a continuation of the agreement unnecessary.

Each commodity-control agreement is to be administered by a governing body called a Commodity Council. Each country participating in the agreement is to have a voting member on the Council. The International Trade Organization is to appoint a nonvoting member and may invite other intergovernmental organizations, such as the Food and Agriculture Organization, to do so. Disputes regarding the interpretation of an agreement which cannot be resolved within the Council must be passed on to the ITO for adjudication. Each Council must report periodically to the Organization, and the Organization must prepare and publish a periodical review of the operation of all of the agreements under its supervision. Members must revise or terminate existing or future agreements if the Organization finds that they do not conform to the provisions of the chapter.

The chapter neither prohibits commodity agreements nor promotes them. It attempts to prevent abuses of the sorts that have arisen in the past. It seeks to establish principles that are economically defensible and morally sound. It is designed to safeguard the interests of consumers, to force adjustment to changing conditions, and to facilitate the early restoration of free markets. It marks the first approach toward agreement on international policy in this field.

VI. The Constitution of the ITO

The final three chapters of the charter of the International Trade Organization, as redrafted at Geneva, deal with the structure and the operation of the ITO. Chapter VII, “The International Trade Organization”, establishes the various organs of the Organization and sets forth their respective functions. Chapter VIII, “Settlement of Differences—Interpretation”, contains the important provisions of the charter dealing with the handling of disputes. Chapter IX, “General Provisions”, covers such questions as exceptions to the charter, amendments, and relations with nonmember states.

The present article, the last in a series of six, provides, first, a general review of the functions of the Organization and, second, a discussion of the principal articles of these three chapters.
General Review of Functions

First, the ITO is an international center for information on matters affecting trade. It will undertake to improve trade statistics. It will collect, analyze, and publish data on exports, imports, balances of payments, prices, subsidies, and public revenues from trade; on customs regulations and their administration; on economic development, commodity problems, and national commercial policies. It will prepare and publish a periodic review of the operation of commodity agreements. It will make studies of conventions, laws, and procedures relating to restrictive business practices, and of treaties and other agreements affecting trade. As a source of information on all these matters, it will be of inestimable value.

Secondly, the ITO is a center for international consultation. One nation may complain, for instance, that another is abusing the escape clause contained in its trade agreements, that it is unfairly invading foreign markets through the use of subsidies, that it is using an improper base period in the administration of a permitted export subsidy or import quota scheme, that it is imposing unreasonable impediments to the exportation of capital or technology, or that it is imposing unreasonable treatment injurious to international investment or enterprise. In any such case, the ITO will invite the nations concerned to enter into consultation and will lend its good offices to effect a settlement of their differences. It may sponsor similar consultation with respect to restrictive business practices. And, at any time when trade is so unbalanced that the permitted employment of quantitative controls over imports is wide-spread and persistent, the ITO will call a general conference to consider whether other measures might not be taken to remove the underlying causes of the disequilibrium. Any solution effected through such consultations will not be one which is dictated by the Organization but one to which its members may voluntarily agree.

Thirdly, the ITO will be a source of advice and assistance to member governments. It will develop and recommend common standards for the grading of commodities, for commercial terms, for documentation, for tariff valuation, and for the simplification of procedures that act as obstacles to trade. It may recommend the conclusion of new agreements or the modification or termination of old agreements on commercial policy, economic development, commodities, and restrictive business practices. It may draft modern international conventions and standard provisions for commercial treaties dealing with such matters as commercial arbitration, the avoidance of double taxation, the treatment of commercial travelers, the protection of foreign enterprises, skills, capital, arts, and technology, and the conditions of doing business abroad. Upon request, the Organization may also provide technical assistance on the administration of trade controls and advice with respect to programs of economic development. The ITO itself will not be in possession of industrial technology. Such knowledge is usually covered by patents that are held by private firms. These firms may sell their know-how to enterprises in undeveloped countries upon such terms as the parties to the contract may agree. But there is nonetheless a function for the Organization to perform in helping organize missions of experts to advise such countries on the larger aspects of their developmental plans.

Fourthly, the ITO will conduct investigations, hold hearings, and make recommendations to member states concerning the restrictive practices of international combines and cartels. In this case the provisions of the charter apply to business practices in international trade which "restrain competition, limit access to markets, or foster monopolistic control", whether they are engaged in by a single private or public enterprise or by a group which includes within its membership private enterprises, or public enterprises, or both. Upon complaint by a member, the ITO may make an investigation, hold hearings, and if it finds that the practice in question has such an effect, shall "request each Member concerned to take every possible remedial action, and may also recommend to the Members concerned remedial measures to be carried out in accordance with their respective laws and procedures."

The fifth—and probably the most important—function of the ITO will be that of determining whether exceptions are to be granted, in individual cases, to the agreed rules that limit the freedom of nations to employ certain restrictive measures in controlling their trade. The pattern adopted throughout the charter is the enunciation of a general rule, the enumeration of necessary
exceptions to the general rule, narrowly limited and precisely defined, the establishment of regulations and procedures whereby members of the Organization may avail themselves of these exceptions, and the provision of penalties that may be imposed, by the action of other members, in cases of violation. The ITO, it should be understood, will have no power itself to lay down the general rules; these must have been agreed upon by member states. Nor may exceptions be permitted by officials of the Organization; they must be voted by governments belonging to the conference, and they must be kept within such limits as the charter may allow.

The most important case in point here is the general rule which condemns the use of quantitative restrictions whereby one country imposes absolute limits on its imports and assigns to other countries definite quotas in its trade. It is necessary, under present economic conditions and established national policies, to permit certain specific exceptions to this general rule. The most important of these exceptions relate to countries that are in balance-of-payment difficulties and to countries that are in the process of economic development. In the first case quantitative restrictions may be permitted to forestall the imminent threat of, or stop, a serious decline in the level of monetary reserves, or, in the case of a member with very low monetary reserves, to achieve a reasonable rate of increase in its reserves. In the second case, quantitative restrictions may be permitted to promote the establishment of new industries. In both cases, however, the Organization is empowered to establish the criteria and the procedures under which exceptions may be granted and to limit the extent, the degree, and the duration of the restrictions which may be employed.

The sixth function of the ITO is that of determining whether nations have lived up to their obligations under the charter and of taking appropriate measures to obtain compliance. One member may complain, for instance, that another has refused to enter into negotiations directed toward the reduction of tariffs and the elimination of preferences, that it is using quantitative restrictions in violation of the provisions of the charter, or that it has taken some other action that impairs or violates the obligations that it has assumed. If it finds such a complaint to be justified, the ITO may then release the complaining member, or all of the members, from corresponding obligations, with the result that the offending member will be faced with higher tariffs than would otherwise apply.

Establishment and Functions of the Organization

The Organization consists of a Conference, to which all member states belong, an Executive Board, to be composed of some fifteen to eighteen states, a Tariff Committee, a few technical commissions, and a staff. The organizational chapter (chapter VII) contains provisions of particular interest with respect to membership, functions of the organization, voting in the Conference, powers of the Conference, composition of the Executive Board, the commissions, the Tariff Committee, and relations with other organizations.

Article 68, on membership, contains a provision under which no state can be an "original Member" unless it joins within a specified initial period. This provision, similar to a provision in the articles of agreement of the International Monetary Fund, is designed to overcome the tendency of states to hold back and wait for others to join. Subsequently, applicants for membership must be approved by the Conference of the ITO.

Provision is also made in this article for participation on the part of separate customs territories which are not responsible for the conduct of their diplomatic relations, but which are autonomous in the conduct of those aspects of their external commercial relations covered by the charter. These territories will be admitted to the Organization under such terms and conditions as the Conference may decide. Provision is also made for such territories, as they develop, to be accorded full voting rights in the Organization and thus to become full members. United Nations trust territories and the Free Territory of Trieste may be given membership on terms to be prescribed by the Conference.

Article 69, on the functions of the Organization, gives the ITO authority to collect, analyze, and publish information, make studies, and facilitate consultation among members. The Organization may also make studies looking to the expansion of the field covered by international agreement. Emphasis is given this power by the provision of paragraph 4 of article 74, which authorizes the Conference of the Organization to approve

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such general agreements and to submit them to members, and which requires members to accept or reject them within a specified period. Rejecting members must specify their reasons in so doing. This provision was inserted as the result of experience with other international organizations which expended great effort on the preparation of such conventions, only to have them die slowly as a result of the failure of their members to act.

Article 72 on voting in the Conference is of particular interest. In the draft charter originally proposed by the United States, it was provided that each member state should have one vote in the Conference, which is the policy-making body of the Organization. Under the United States draft, the charter obligations assumed by member governments were quite definite. As the charter has gone through successive meetings of the Preparatory Committee, the obligations have been made more flexible, discretion being given in an increasing number of cases to the Organization, acting usually through the Conference. Accordingly, the method of voting in the Conference has assumed greater significance, and the question arose at Geneva as to whether weighted voting would not be more appropriate for the Conference. The Geneva meeting decided to present the Habana Trade Conference four alternatives.

One of the alternatives is the original proposal of “one country—one vote”. The second and third alternatives propose the allocation of votes on a weighted basis, according to economic importance. The second uses light weights, the third heavy weights. The fourth alternative for allocating votes would have the Conference reach decisions on specified questions by a majority of votes cast both under the unit system and under the weighted system, the combination to be employed only if requested by a member. Which of the two weighting systems would be used is not specified. The Habana meeting will have to choose among these alternatives.

Closely related to the voting power of each member is the question of the percentage of members “present and voting” required for passage of various kinds of motions. A majority is required as a general rule, but two thirds is required in certain circumstances. The question of composition of the Executive Board (article 75), and of permanent seats thereon, gave rise to unresolved differences of opinion reflected in three alternatives to be put before the Habana Conference. Whereas most of the delegations were agreed in principle on some provision for permanent seats for the countries of chief economic importance, there was no general agreement as to what formula should be employed to measure such importance. Alternative A names the states which shall have permanent seats, covering eight of the proposed eighteen seats in this manner. It also assigns a number of seats to certain geographic regions—Latin America, the Arab States, and Scandinavia. The remainder are to be elected by the remaining members of the Organization which may, with Conference approval, act by groups of not less than four states. Alternative B merely says that the holders of seven of the fifteen seats shall be eligible for immediate re-election, the rest of the seats rotating. Alternative C states that the eight states of chief economic importance, as determined by the Conference, shall be entitled to membership on a board of seventeen. It also provides that eight named states (including the Benelux Customs Union) shall be appointed to the first Executive Board, leaving the other nine seats to be filled by election.

Articles 79 and 80 provide for the establishment of commissions by the Conference. Whereas previous drafts of the charter had specifically established three commissions, in the fields of commercial policy, cartels, and commodities, and had set forth their functions, it was felt at Geneva that it would be wiser to avoid including in the charter a structure which might turn out to be inflexible or top-heavy. Questions of priority in establishment and of possible overlapping with commissions and subcommissions of the Economic and Social Council contributed to the decision to avoid reference in the charter to any particular commission.

It is expected that the commissions will be composed of experts. Presumably the commissions will not be in continuous session, so it will be possible to enlist the services of persons in various fields who will in many cases be holding important jobs at home and who might not be prepared to devote full time to the ITO as members either of the commissions or of the staff. Also, this arrangement will help the commissioners to remain familiar with the domestic aspects of the problems with which they will be dealing.

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The Tariff Committee established under article 81 is an autonomous body within the Organization and, in this respect, is unique among the intergovernmental organizations now in existence. It will initiate on behalf of the Organization the tariff negotiations called for in article 17. The Committee will be made up of those members of the Organization which have reduced their own tariffs and have thus given tangible proof of the sincerity of their intentions in regard to the freeing of international trade.

Article 84 covers the relation of the ITO with other organizations. The relation of ITO with the United Nations is, of course, a matter of very great importance, since the ITO must act in conformity with the over-all policy laid down by the United Nations, and this relation will be defined in an agreement similar to those reached between the United Nations and other specialized agencies. Since the ITO is one of the last of the specialized intergovernmental organizations expected to be established, the problem of its relationships to the other specialized organizations is clearer and can be dealt with more specifically in the ITO charter than in constitutions drafted earlier. Thus specific provisions as to relationship with the International Monetary Fund and the Food and Agriculture Organization are included. However, it is probable that there will be relationships with other intergovernmental organizations—for example, with the International Bank—for which specific provisions are necessary. Article 84 provides for this. Provision is also made for the absorption by the ITO of various organizations in certain limited fields, such as the International Bureau for the Publication of Customs Tariffs at Brussels, which were established long before ITO was envisaged and whose operations fall within the broad competence of the new Organization. Article 84 thus affords an opportunity for obtaining economies in international organization.

Differences and Disputes

Since the obligations of ITO members are important and since they admittedly involve matters of some complexity, there will almost certainly be a large number of differences and disputes between members. Accordingly, one of the principal functions of the ITO will be the resolving of such differences and disputes in accordance with the charter. Chapter VIII is devoted to this subject.

The procedure for settling disputes has three broad stages. The first is for a member having a complaint to make representations to other members involved. If this is not successful, the second step is for the matter to be referred to the Organization, in the first instance to the Executive Board. The Executive Board may refer the matter to the Conference, or a ruling of the Board may be appealed to the Conference by an interested member. The Executive Board may, with the approval of the members concerned, arrange for arbitration of the dispute. A third step, if necessary, is reference to the International Court of Justice, in accordance with article 65 of the Statute of that Court, which states that “the Court may give an advisory opinion on any legal question at the request of whatever body may be authorized by or in accordance with the Charter of the United Nations to make such a request”.

General Provisions

Since the effectiveness of the ITO is directly affected by the number of its members and their importance in international trade and since states which join the ITO take on substantial obligations, it is important to provide an impetus for all eligible states to join and also to make it difficult, if not impossible, for them to receive the benefits of the Organization without assuming its obligations. Accordingly, it is necessary to include some provision which denies ITO benefits to states which are eligible for membership but which, nevertheless, do not join the Organization. Attitudes at Geneva on this question tended to vary according to the strength of commercial and other ties with states whose membership in the Organization is problematical. It seemed best to defer this question until the World Conference, but three alternatives are included in article 93 to facilitate consideration of the problem at Havana.

Alternative A, the weakest of the three, permits a member having substantial trade with nonmembers to suspend the application of any provision of the charter, requires it thereupon to afford other members an opportunity for consultation, and permits it, in the absence of agreement, to withdraw from the Organization. Alternative B requires any member wishing to maintain or enter into an (Continued on page 855)
It is the well-established policy of the United States to place major reliance on the United Nations as the central organization for the maintenance of international peace and the promotion of international cooperation. The article which follows is the first of a series of two describing the activities of the First Session of the Eightieth Congress in fulfilling the obligations which flow from this policy.

Part I

I. Introduction

Students of American foreign policy will remember the Seventy-ninth Congress of the United States as the legislative body which made possible the beginning of a new era in international relations: the participation of this Government in the world organization upon which rests the hope of mankind for the achievement of international peace and security—the United Nations.¹ But the Eightieth Congress will be remembered for the excellent beginnings made by its First Session² toward the enactment of municipal legislation needed to implement the responsibilities which flow from that participation. Notwithstanding a congested legislative calendar, due in part to the application of the new machinery of the Legislative Reorganization Act of 1946,³ and

² The Congress convened Jan. 3, 1947, and adjourned at 3:50 a.m. Sunday, July 27, 1947, under a special agreement which permits the Republican leadership, consisting of the president pro tempore of the Senate, the speaker of the House of Representatives, the majority leader of the Senate, and the majority leader of the House of Representatives, all acting jointly, to notify the members of the Congress to reassemble in special session whenever in the opinion of those four leaders the public interest shall warrant it. See S. Con. Res. 33, providing for the adjournment of the two Houses of Congress until Jan. 2, 1948, as amended by the House. (Cong. Rec., July 26, 1947, p. 10599.) Without such a provision a call could be issued only by the President of the United States, who always has that right.
in part to the fact that a Republican majority for the first time since 1932 was in control, the First Session came to grips with many important legislative proposals bearing upon our foreign relations generally, and, in particular, cementing and fortifying the participation of the United States in the work of the United Nations, in whose success

*Hearings Before Committee on Foreign Affairs on H. R. 3836, 80th Cong., 1st sess., p. 6 (1947). See also Bulletin of Sept. 21, 1947, pp. 530–543. The argument advanced in some circles that Public Law 75, 80th Cong., 1st sess. (May 22, 1947), “An act to provide for assistance to Greece and Turkey”, is in clear derogation of the United Nations policy enunciated by the Secretary of State and implicitly bypasses the United Nations was completely answered—at least to the satisfaction of Congress—by the then Under Secretary of State, Dean Acheson, in his memorandum on “Questions and Answers Relating to the Greek-Turkish Aid Bill”, Hearings Before Committee on Foreign Affairs on H. R. 2616, 80th Cong., 1st sess., pp. 341–356 (1947), particularly pp. 341–344. S. Rept. 90, 80th Cong., 1st sess. (1947) at p. 36 makes it abundantly clear that assistance to Greece and Turkey will constitute a fulfilment of a basic objective of the United Nations Charter: to create conditions of political and economic stability which will preserve the freedom and independence of its members and thus safeguard their sovereign equality. “The United Nations was not created to supersede friendly relations between states through assistance from one state to another to carry out the purposes set forth in the Charter.”

* The Charter was submitted to the Senate as a treaty and approved July 28, 1945, by a vote of 89 to 2 (91 Cong. Rec., p. 8329 (1945)). Upon deposit of ratifications by China, France, the U.S.S.R., the United States, and a majority of the other signatory states, it became effective Oct. 24, 1945, when it “... came into force as a fundamental law for the peoples of the world ...”, in the words of the President in his first annual report on the activities of the United Nations and the participation of the United States therein for the year 1946, submitted to Congress pursuant to sec. 4, United Nations Participation Act of 1945, Public Law 264, 79th Cong., 1st sess. (Dec. 20, 1945), cited supra in note 1. See Department of State publication 2735, the United States and the United Nations Report Series 7, for complete text of report.

* For a comprehensive list see Department of State publication 2699, International Agencies in Which the United States Participates. For contributions authorized by the first session, see Department of State Appropriation Act, 1948, title I, Public Law 166, 80th Cong., 1st sess. (July 9, 1947).

* One of the six principal organs of the United Nations. The other five are: the General Assembly, the Security Council, the Trusteeship Council, the International Court of Justice, and the Secretariat (U.N. Charter, art. 7, par. 1).

our Government and the American public share a continual concern. This becomes readily apparent upon a review of the activities of the First Session of the Eightieth Congress in this regard, and serves to buttress the statement made by Secretary of State Marshall that “It is the recognized policy of the United States Government to place major reliance on the United Nations as the medium for achieving international peace and security.”

The United Nations, the public international organization established under that name by the Charter of the United Nations, is, of course, the major international organization in which the United States participates. There exist, however, many other public international organizations in which our Government enjoys membership and to which it makes substantial contributions. Though retaining separate legal entities and operating under their own internal constitutions, several of these organizations have been brought into close relationship with the United Nations, in accordance with articles 57 and 63 of the United Nations Charter:

**Article 57**

1. The various specialized agencies, established by intergovernmental agreement and having wide international responsibilities, as defined in their basic instruments, in economic, social, cultural, educational, health, and related fields, shall be brought into relationship with the United Nations in accordance with the provisions of Article 63.

2. Such agencies thus brought into relationship with the United Nations are hereinafter referred to as specialized agencies.

**Article 63**

1. The Economic and Social Council may enter into agreements with any of the agencies referred to in Article 57, defining the terms on which the agency concerned shall be brought into relationship with the United Nations. Such agreements shall be subject to approval by the General Assembly.

2. It may coordinate the activities of the specialized agencies through consultation with and recommendations to such agencies and through recommendations to the General Assembly and to the Members of the United Nations.

Thus, only public international organizations which have been, or are expected to be, brought into relationship through appropriate agreement with the Economic and Social Council *should be classi-
fied as "specialized agencies", in the technical sense. But, in this summary of the activities of the First Session of the Eightieth Congress with regard to the United Nations, it is appropriate to include not only the specialized agencies affected by Congressional action but also other public international agencies affected thereby, whose objectives are clearly in accord with the Charter of the United Nations, notably the Caribbean Commission and the South Pacific Commission.

II. Responsibilities of the "Host" Nation

A. United Nations permanent headquarters and the Rockefeller gift

The Congress, by concurrent resolution passed unanimously by the House of Representatives, December 10, 1945, and agreed to unanimously by the Senate the following day, invited the United Nations "to locate the seat of the United Nations Organization within the United States". The United Nations decided in February 1946 to accept the invitation and to establish its headquarters in this country. There followed deliberations and discussions within the Organization as to the exact location in the United States of its permanent headquarters. Rumor shifted from Westchester County, New York, to Fairfield County, Connecticut, then to Boston, Philadelphia, San Francisco, New York City, and so on. The matter, virtually one of the most difficult and vital organizational problems with which the United Nations has been confronted, was finally concluded during the second part of the first session of the General Assembly, when on December 14, 1946, it was resolved "That the permanent headquarters of the United Nations shall be established in New York City in the area bounded by First Avenue, East 48th Street, the East River and East 42nd Street".

This resolution was adopted in almost immediate response to a letter dated December 10, 1946, from John D. Rockefeller, Jr., to Eduardo Zuleta Angel, Chairman of the Permanent Headquarters Committee of the United Nations, in which Mr. Rockefeller offered to donate the sum of $8,500,000 for the purpose of making available to the United Nations as its permanent headquarters a site in New York City located and bounded by Forty-second Street, Forty-eighth Street, First Avenue, and the East River. Certain conditions were specified in the offer: one being that the city of New York would donate to the United Nations that part of the site not covered by the option obtained by Mr. Rockefeller from the owners, and another that his gift would be exempt from the Federal gift tax. To achieve this exemption meant an amendment to the Internal Revenue Code by Congressional enactment, and the matter had to be acted upon promptly, since Mr. Rockefeller's option on the land in question was to expire February 28, 1947.

The Eightieth Congress, aware of the responsibilities of the United States as "host" nation and of the excellent opportunity afforded the United Nations to accept an extremely generous offer from a public-spirited citizen, did act promptly. Within twenty days from the date of the letter of the President of the United States (February 6, 1947) to the Congress on this matter, a joint resolution of Congress became law, with two days to spare before the expiration of Mr. Rockefeller's option.

Under the terms of the amendment to the Internal Revenue Code enacted by Congress, gifts made in the period beginning December 2, 1946, and ending December 1, 1947, to the United Nations "to be used exclusively for the acquisition of a site in the city of New York for its headquarters . . ." are exempt from Federal estate and Federal gift tax. Such gifts are

The specialized agencies, as of the date of this writing, include Ilo (International Labor Organization), Fao (Food and Agriculture Organization of the United Nations), Unesco (United Nations Educational, Scientific and Cultural Organization), Icao (International Civil Aviation Organization), all of which have actually been brought into relationship with the United Nations by agreements with the Economic and Social Council, approved by the General Assembly, and the Bank (International Bank for Reconstruction and Development), the Fund (International Monetary Fund), Who (World Health Organization), Iro (International Refugee Organization), the proposed Itu (International Trade Organization), Uru (Universal Postal Union), and Itu (International Telecommunication Union), which agencies are expected to be brought into relationship with the United Nations.


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also allowed as a deduction in computing net income for Federal income-tax purposes, to the same extent as gifts for public or charitable purposes, provided they are made within the period specified.

B. United States—United Nations headquarters agreement

The United States Congress, having extended an invitation to the United Nations to locate its permanent home in this country and having made it possible for the Organization to accept a tax-free gift of $8,500,000 for the acquisition of a permanent site in New York City, was faced with still a further responsibility toward its guest. This duty can best be described in the words of the President in his message to the Congress, July 2, 1947, transmitting an agreement between the United States and the United Nations concerning the control and administration of the headquarters of the United Nations in the City of New York:

"The United States has been signally honored in the location of the headquarters of the United Nations within our country. Naturally the United States wishes to make all appropriate arrangements so that the Organization can fully and effectively perform the functions for which it was created and upon the successful accomplishment of which so much depends.

"This Agreement is the product of months of negotiations between representatives of this Government and the United Nations. Representatives of the City and State of New York participated in these negotiations. The Agreement carefully balances the interests of the United States as a Member of the United Nations and the interests of the United Nations as an international organization.

"I urge the Congress to give early consideration to the enclosed Agreement and to authorize this Government by joint resolution, to give effect to its provisions."
resolution (introduced, appropriately, by Senators Ives and Wagner of New York), which reads as follows:

"Sec. 6. Nothing in the agreement shall be construed as in any way diminishing, abridging, or weakening the right of the United States to safeguard its own security and completely to control the entrance of aliens into any territory of the United States other than the headquarters district and its immediate vicinity, as to be defined and fixed in a supplementary agreement between the Government of the United States and the United Nations in pursuance of section 13 (3) (e) of the agreement, and such areas as it is reasonably necessary to traverse in transit between the same and foreign countries. Moreover, nothing in section 14 of the agreement with respect to facilitating entrance into the United States by persons who wish to visit the headquarters district and do not enjoy the right of entry provided in section 11 of the agreement shall be construed to amend or suspend in any way the immigration laws of the United States or to commit the United States in any way to effect any amendment or suspension of such laws."

Under the terms of Section 28 of the headquarters agreement, it is not to come into effect until "... an exchange of notes between the Secretary-General, duly authorized pursuant to a resolution of the General Assembly of the United Nations, and the appropriate executive officer of the United States, duly authorized pursuant to appropriate action of the Congress." The Secretary-General has not yet been authorized to accept the agreement for the United Nations, although it may be expected that such action will have been taken during the second regular session of the General Assembly.

A word should be said at this point concerning the International Organizations Immunities Act. The act extends certain privileges, exemptions, and immunities to public international organizations in which the United States participates pursuant to any treaty or under authority of any act of Congress authorizing such participation or making an appropriation for such participation and which shall have been designated by the President through appropriate Executive order. The following organizations have, as of the date of this writing, been so designated by the President:

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The Food and Agriculture Organization
The International Labor Organization
The Pan American Union
The United Nations
The United Nations Relief and Rehabilitation Administration
Inter-American Coffee Board
Inter-American Institute of Agricultural Sciences
Inter-American Statistical Institute
International Bank for Reconstruction and Development
International Monetary Fund
Pan American Sanitary Bureau
Intergovernmental Committee on Refugees
International Wheat Advisory Committee (International Wheat Council)
United Nations Educational, Scientific and Cultural Organization
International Civil Aviation Organization
International Telecommunication Union
Preparatory Commission for International Refugee Organization
International Refugee Organization (when it supersedes the Preparatory Commission)

It should be borne in mind, however, that although the United Nations is included in this list, at the time of designation by the President it was too early to ascertain precisely what the principal requirements of the United Nations would be, since the first session of the General Assembly of the United Nations was still in session and its permanent headquarters had not been selected. When the site was definitely agreed upon by the United Nations, as described above, it became necessary other member nations who should or who should not represent them at the seat of the United Nations and cannot claim any right of veto over the Secretary-General's appointment of personnel to the staff of the United Nations. In general, the United States, as host country, must permit access to the headquarters on the part of all persons who have legitimate business with the Organization. This involves inevitably the admission of a number of aliens, some of whom would not normally be admissible under immigration laws of the United States.

"The principal problem considered by the committee was how this right of access to the headquarters could be granted in a manner which would not prejudice the security of the United States against infiltration on the part of subversive alien elements." S. Rept. 559, 80th Cong., 1st sess., pp. 5–6 (1947).

* Ibid., title I, sec. 1.
* Ex. Or. 9698, 11 Federal Register 1809 (1946).
* Ex. Or. 9751, 11 Federal Register 7713 (1946).
* Ex. Or. 9823, 12 Federal Register 551 (1947).
* Ex. Or. 9863, 12 Federal Register 3559 (1947).
* Ex. Or. 9887, 12 Federal Register 5725 (1947).
for the United States and the United Nations to negotiate a special agreement covering the new arrangements required as a result of the selection of the permanent home in New York City. The position which the United States took during the prewar years and with relation to the League of Nations was that there exists no obligation under customary international law to extend to personnel of public international organizations privileges, exemptions, and immunities accorded either to foreign diplomatic agents, or non-diplomatic government officials. Thus the International Organizations Immunities Act was a big step forward taken by our Government, through Congressional enactment, to insure the effective performance of the functions and the fulfilment of the purposes of these organizations. It is to the credit of the Eightieth Congress that it took the further step of bridging the gaps in existing law by enacting the joint resolution authorizing the President to accept the permanent headquarters agreement, substantially as transmitted by the President to the Congress for its action.

C. International Organizations Procurement Act of 1947

The “host” nation, cognizant of the rules and regulations governing the extension of hospitality, was not oblivious to the acute procurement needs with which the United Nations was faced in the early days of its settlement in this country. Thus, the Second Deficiency Appropriation Act, 1946 contained a provision authorizing any agency of the United States Government to furnish or to procure and furnish materials, supplies, and equipment to the United Nations until December 31, 1946, on a reimbursable basis. This was an emergency measure, designed to enable the new-born Organization to purchase supplies vitally needed for its housekeeping and administrative purposes, such as typewriters, desks, paper, photostat equipment, and mimeograph machines. The emergency, however, continued beyond December 31, 1946, and when Trygve Lie, the Secretary-General of the United Nations, informed the Department of State early in 1947 of the continuing procurement crisis (due to excessively high prices of needed items, even when obtainable from private sources), the Department took action to initiate a request to Congress for the necessary legislation.

The Senate Foreign Relations Committee recommended the passage of the bill, S. 1574, in the following words: “Since it would enable the United States Government, at no cost to itself, to render valuable assistance to international organizations which have made their headquarters in the United States and in whose success our Government is vitally interested, the committee recommends the bill for the favorable consideration of the Senate.”

The bill, as it finally passed the Congress and was approved by the President, enables the two chief procurement agencies of the Government, the Bureau of Federal Supply of the Treasury Department and the Government Printing Office, until July 1, 1948, to furnish or procure and furnish administrative supplies to international organizations, as defined in the act, on a reimbursable basis of the costs and expenses involved, with the proviso contained in section 3 that these two...
agencies "... protect the interests of the United States Government in having access to sufficient supplies for its own needs,..."

The possible criticism of the act on the ground that the time limit contained therein may be too restricting on the procurement activities of the United Nations is answered by the assurance contained in the House Foreign Affairs Committee report that the Congress will consider the requirements of the United Nations with regard to the construction of its permanent home when construction actually begins and the needs relative thereto can be more fully ascertained.81

D. Protection of the seal, emblem, and name of the United Nations

The General Assembly of the United Nations in a resolution adopted unanimously at its fiftieth plenary meeting, December 7, 1946, recommended that members of the United Nations should take appropriate steps to prevent the commercial exploitation of the emblem, the official seal, and the name of the United Nations by means of trademarks or commercial labels, without authorization by the Secretary-General of the United Nations. Accordingly, a bill "To prohibit and punish the unauthorized use of the official seal, emblem, and name of the United Nations, and for other purposes", H.R. 4186, was introduced in the House of Representatives by Congressman Javits, a member of the House Committee on Foreign Affairs. In the words of the Committee, "The proposed legislation would prevent the growth of the practice of commercially exploiting the concept of the United Nations. At the same time it avoids infringement on established rights in the language in section 3, providing that those who established their use of the name, initials, emblem, or seal of the United Nations before the effective date of the Charter may continue such use for the period remaining under a valid trade-mark or copyright. Such trade-marks or copyrights are, however, not to be subject to renewal. Those who have established a use of the name or initials or emblem concerned since the determining date and prior to the enactment of the proposed act are granted leeway of 1 year in which to bring such use to an orderly end."82

The bill passed the House on July 25, 1947, and will be considered in the Senate during the next session of the Eightieth Congress.

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III. "Humanitarian" Responsibilities of the United States

One of the major purposes of the United Nations, as expressed in the Charter, is "To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion..." 83

This purpose covers an enormous range of human endeavor with which the United Nations has been charged. If, indeed, it will be responsible for the fulfilment even in part of some of these ideals, the Organization will have justified its existence and merited the support of all the civilized nations of the world.

That the United Nations on the one hand, has been quick to focus its attention on these international responsibilities may be seen when its actions are viewed in connection, in particular, with three humanitarian projects: The International Refugee Organization, the World Health Organization, and the International Children's Emergency Fund.

That the United States on the other hand, as a leading sponsor and a leading member of the Organization, has been acutely aware of its responsibilities toward the relief and betterment of the lot of mankind everywhere, is, likewise, readily apparent. The cooperation of the Eightieth Congress in these programs gives impressive testimony to the fact that it recognizes the desperate seriousness of the world situation.

A. The International Refugee Organization (IRO)

In keeping with the purpose set forth in paragraph 3, article 1 of the Charter, the General Assembly, by a resolution of February 12, 1946, decided that the complex and world-disturbing problem of refugees and displaced persons is international in character and that a single international organization should take over the functions

83 H. R. Rept. 1043, 80th Cong., 1st sess., p. 3 (1947).
84 U.N. Charter art. 1, par. 3. This paragraph indicates that the framers of the Charter realized that the maintenance of peace and security is not solely a matter of settling disputes or dealing with threats to the peace or cases of actual aggression.
being performed by many different organizations. As a result of studies carried on, pursuant to this decision, by special committees of the General Assembly and the Economic and Social Council, the General Assembly, on December 15, 1946, approved the constitution of the International Refugee Organization. The United States played an active role in this matter, consistent with the policy adopted by the Secretary of State, recognizing that the care and disposition of displaced persons is a collective international responsibility just as was the military defeat of Germany and the punishment of Nazi war criminals.

The constitution of IRO was opened for signature the same day it was approved by the General Assembly, and Senator Austin, the Representative of the United States at the seat of the United Nations, signed it on behalf of the United States, subject to final approval by Congress to make effective this Government's membership and participation. Accordingly, S. J. Res. 77, "A joint resolution providing for membership and participation by the United States in the International Refugee Organization and authorizing an appropriation therefor", was introduced in the Senate on February 24, 1947, by Senator Vandenberg. The resolution was unanimously approved by the Senate Foreign Relations Committee on March 12, 1947, and passed the Senate on March 25, 1947, by unanimous vote, after undergoing a lively and thorough debate. As it passed the Senate it included a proviso, sponsored by Senators Revercomb and Donnell, designed to dispel the fear that the Constitution of the Organization might be interpreted as authorizing the President to conclude agreements with the organization which would have the effect of suspending or modifying our immigration laws. When the matter came before the House Foreign Affairs Committee, this amendment was adopted along with its own amendments, lowering the ceiling of $75,000,000 on the amount appropriated for the fiscal year beginning July 1, 1947, to $73,500,000 and adding a new section, section 5, to take care of the anticipated interim period between the end of UNRRA (June 30, 1947) and the beginning of IRO. With these amendments the House of Representatives passed the joint resolution, June 26, 1947, which was agreed to and passed by the Senate. On July 1, 1947, it became law.

Public Law 146 accomplishes four things of major importance—-it authorizes the President to accept membership in IRO for the United States, with the immigration safeguard contained in the proviso, as noted above (section 1); it vests in the President the requisite authority to designate the United States representatives and alternates who are expected to attend the sessions of IRO (section 2); it authorizes the appropriation of such sums, not to exceed $73,325,000 for the fiscal year beginning July 1, 1947, as may be necessary for the payment of the United States contributions to IRO, and such sums, not to exceed $175,000 for the same fiscal year to cover salaries and other expenses of United States representatives and alternates (section 3); it authorizes any Government agency to furnish or procure and furnish supplies and services to the organization on a reimbursable basis (section 4); and finally, it enables the Secretary of State, during the interim period between July 1, 1947, and the coming into force of the constitution of the organization, to make advance contributions to the Preparatory Commission of the International Refugee Organization (section 5).

The contributions which the Organization is expected to make toward the relief of refugees and displaced persons are outlined very completely in the statement which the then Under Secretary of State, Dean Acheson, made before the Senate Committee on Foreign Relations at hearings of that Committee on IRO on March 1, 1947. Mr. Acheson said:

"What is it that this constitution provides? It establishes an organization to deal on an integrated basis with the whole problem of refugees and displaced persons. For the purposes of this organization, a displaced person is someone who had to leave his own country as a result of the actions of
the Nazi or Fascist authorities. A refugee is, generally speaking, anyone outside of his own country who was either a victim of Nazi persecution or who now is unwilling to return to his own country as a result of events which took place subsequent to the outbreak of the war. In general, the organization concerns itself with such people only when certain conditions are fulfilled, i.e., that such persons desire to be repatriated and need help in order to be repatriated or for good reasons refuse to return voluntarily to their own countries. These are primarily the people whom the occupying armies found on their hands when they entered Germany, Austria, and Italy. They were people who had been taken against their will to Germany during the war, largely for the purpose of slave labor, or were people who, through fear of persecution or through lack of sympathy with the regimes which have been established in their own countries, fled to Germany, Austria, or Italy for protection. The organization will also be concerned with similar problems in the Far East, particularly with overseas Chinese displaced by operations of the Japanese armies.  

Recognition of the part played by the Eightieth Congress was voiced by Ambassador Austin, chief of the United States Mission to the United Na-

**United Nations Documents: A Selected Bibliography**

**Economic and Social Council**


Items for the Provisional Agenda of the Sixth Session. E/591, October 10, 1947. 4 pp. mimeo.


**General Assembly**

Admission of New Members. A/405, October 9, 1947. 1 p. mimeo.

October 26, 1947

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*Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.*
The program of the Interdepartmental Committee on Scientific and Cultural Cooperation includes assistance for binational cultural centers in 29 of the American republics. The following article describes the academic, informational, cultural, and social activities of these centers and their effort to portray life in the United States through the teaching of English, by collections representative of American books, phonograph records, and art, and in lecture services by American authorities.

The twenty-ninth binational cultural center to be assisted by the Department of State opened its doors to the public in Ciudad Trujillo on June 24, 1947, when George H. Butler, Ambassador of the United States to the Dominican Republic, presented the flag of the United States to the Instituto Dominico-Americano at a special inauguration ceremony. Located in a building facing Independence Park and housing classrooms, a library, and a sala containing representative collections of American books, phonograph records, and reproductions of American art, this cultural center provides an example of the good-neighbor policy in action and is a concrete expression of cooperation among peoples of the Western Hemisphere.

The type of cultural institution represented by the Instituto Dominico-Americano is a local, autonomous, cultural society incorporated under the laws of the host country. Its governing body is a local board of directors, made up of nationals and resident Americans, who are intellectual, professional, and business leaders of the community. The society's charter usually provides for the establishment of a nonprofit corporation which, without religious or political motivation, is dedicated to furthering understanding between the country concerned and the United States through the sponsorship of appropriate academic, informational, cultural, and social activities. Provision is made for democratic election of officers and board members, fees and conditions of membership are described, and day-to-day administration is made the responsibility of an appointed "director" or "executive secretary" who provides guidance to the organization's various programs in accordance with policies established by the board of directors. Although the president of the organization is usually a national of the country, the position of director or executive secretary has, in practice, almost always been an American who serves as an employee of the board. As the membership and student body grow in size and as the needs of the organization increase, a local staff is employed. English teachers, including two or three recruited in the United States and a larger number recruited locally, conduct classes. A national is employed to teach Spanish or Portuguese;
A librarian is added to handle the book collection. If the center’s book collection is large, an American librarian is sometimes employed. Clerks, stenographers, a janitor, and servants complete the staff.

Since 1940, the United States Government has provided in Latin America moral and material assistance to such local societies. This assistance is now a part of the program of the Interdepartmental Committee on Scientific and Cultural Cooperation and is administered by the Division of Libraries and Institutes, Department of State. The centers were founded as a means of focusing interest in and satisfying curiosity about the United States. The earliest institution featuring an English-language program and providing a locale and a friendly atmosphere where Americans and Argentines could meet and talk on an easy, informal basis was founded at Buenos Aires in 1927, under the name Instituto Cultural Argentino-Norteamericano. Like the seven others at Habana, Port-au-Prince, São Paulo, Rio de Janeiro, Santiago, Lima, and Caracas, the Argentine center was in existence before this Government embarked on its present program of cultural cooperation with the other American republics.

In October 1947 there were twenty-nine cultural centers, known variously as Instituto, Centro, Clube, Academia, Unión, or Asociación, receiving some assistance from the Department. In addition, two large English-teaching programs operated in conjunction with the American libraries at Managua and Montevideo, and thirty-seven branches of the principal cultural centers received some support. By June 30, 1948, there will be United States-oriented cultural centers in every Latin American capital except San Salvador. The rapid growth of this institutional program is striking testimony to the dynamism of the cultural-center idea and the zealous interest of Latin Americans in our language and culture.¹

Because cultural centers have always been largely dependent on local sources for their support, it was natural that they should give first attention to providing English instruction, since the most obvious way to support the activity was through fees paid for such instruction. It was logical, too, that emphasis should be placed on reducing language barriers as a means of creating better understanding among peoples and unlocking the storehouse of information available through publications printed in English. Classes were organized in beginning, intermediate, and advanced English. They were offered during the evening hours when schoolteachers, office workers, government clerks, professional people, mill hands, factory workers, and day laborers could attend.

As the demand increased and professionally competent personnel were recruited for the centers, special classes were offered to meet the needs of certain groups such as doctors, dentists, nurses, lawyers, physicists, university students, and others. Techniques and materials were tested, discarded, and revised, and only those methods were retained which would contribute toward gaining a speaking and reading knowledge of English in a minimum time. Vocabulary was limited to the practical, and the ornamental was discarded. Literary masterpieces lost their place to contemporary materials written in the vernacular. Out of these cultural-center laboratories, from the pens of American teachers, came several textbooks, such as Frederick Sparks Stimson’s Fundamentos de la conversación inglesa, John G. and Jeanette J. Varner’s, Inglés moderno, James Paul Stoakes’ Inglés práctico, Dr. Esther J. Crooks’ First Year English and Fourth Year English, Hazel M. Messimore’s Second Year English, Dr. Ples Harper’s Third Year English, Audrey Wright’s English Review and Practice, Lionel Landry’s English Conversation for Advanced Students, Clifford Prator’s Repasemos nuestro Inglés, and Lecturas norteamericanas para principiantes suramericanos, Faye Bumpass and Patricia Elliott’s Seven Short Stories. For Brazilian students of English, Ned C. Fahs and Raymond Sayers have produced English for Americans (unpublished), and Chryssie Hotchkiss, Ralph Dimnick, and Ralph Ingalls have assembled a manuscript called Americans Speaking. At the Instituto Mexicano Norteamericano de Relaciones Culturales in Mexico City there is currently being developed a series of English textbooks, based on the principles developed by Dr. Charles C. Fries of the University of Michigan. Some centers became publishers of their own textbooks, including

¹ For a description of the growth of cultural centers between 1940 and 1945, see Cultural Centers in the Other American Republics, Department of State publication 2503, pp. 2–4.
several of those mentioned above, and the use of these texts spread rapidly to other centers.

English teachers in the local schools were naturally attracted to the cultural centers where special in-service training courses were developed, supplemented by intensive seminars offered during vacation months. Associations of English teachers were formed. They found willing cooperation at the centers, most of which became the headquarters for such associations. As a result of these developments, cultural centers came to be known as places where one could really learn to speak English.

So successful was the English-language instruction that by the end of 1946 the centers reported a total of 40,000 students enrolled in English classes. By October 1947, enrollment in some centers indicated an activity which had reached the proportions of big business. In Buenos Aires, the total topped 4,000; in São Paulo, 3,500; in Mexico City, 2,500; in Rio de Janeiro, nearly 2,000 were attending; in Lima, 1,500; and in Bogotá and Caracas, approximately 1,000.

The advantages to local business firms of having employees with a knowledge of English have been so obvious that, in more than one instance, local firms have paid the tuition fees of their employees to encourage them to study English in the cultural centers. For example, in April 1947 the Centro Colombo-Americano at Bogotá reported that 234 of its students were employees of local companies which defrayed all or part of their tuition fees. One firm in São Paulo in September 1946 was paying the tuition of 20 employees who were students of English at the União Cultural Brasil-Estados Unidos. In Costa Rica, a power and light company contributed approximately $2,000 to the Centro Cultural Costarricense-Norteamericano for the privilege of sending as many as 20 employees annually over a ten-year period for instruction in the Centro. In July 1947, 30 employees of an oil company in the Dominican Republic enrolled in beginning and intermediate English classes of the Instituto Dominico-Americano at company expense.

The local demand for English instruction has long since outgrown the available space of most cultural centers. Hundreds of eager applicants are turned aside every time registration opens. In January 1947, when the classes of the English Language Institute at Mexico City, with accommodations for about 2,000 students, announced that they would accept registration to fill 300 vacancies existing at that time, nearly 2,500 aspirants struggled for entrance on January 28. Applicants started forming a line at 4 o’clock in the morning and, as the day advanced, the queue extended farther and farther down the street and around the corner. Crowds were finally waiting on three different streets. Meanwhile, a few youths climbed over roofs and through a skylight of the Biblioteca Benjamin Franklin to get at the registration desk ahead of the line. A woman fainted. The police who were called to maintain order somehow managed to get themselves registered for the English classes. These classes have recently been moved from the Biblioteca Benjamin Franklin to a new building at Yucatan and Zacatecas Streets as part of a plan to help solve space problems for both the library and the Instituto Mexicano-Norteamericano de Relaciones Culturales.

It was inevitable in the beginning that major emphasis would be placed on the language-teaching programs of the centers, but as they began to develop cash surpluses, the centers turned their attention to the encouragement of activities which, while producing little by way of revenue, brought ample returns in a better understanding of the respective cultures of the participating peoples. Most important, perhaps, has been the attention to the book collections, composed largely of American books in English but including small collections of works of American authors in translation and books about the United States written in Spanish or Portuguese. A small section containing books about the host country for the benefit of Americans is also usual. Following the pattern of the best small public libraries in the United States, the centers have aimed at: (1) acquiring a well-rounded collection of representative United States books, including basic reference tools; (2) the development of public reference service; and (3) the creation of an organization which would provide, to a greater or lesser extent, a model of a small United States library, which could eventually serve as a laboratory for the training of local librarians. To assist in the attainment of these aims, this Government has detailed itinerant American librarians to furnish advice, help organize the collections, and train local staffs. Li-
Library of Congress cards are furnished to form the catalog, and books and library supplies are sent from this country.

Considering the limitations of some of the book collections, the shortage of professionally trained library personnel available locally, the meagerness of resources, and the lack of adequate physical plants, the aims described are admittedly lofty. It is still early to estimate the extent to which it will be generally possible to achieve the standards set, but prospects are encouraging, and in some instances the gains have been remarkable. For example, the Instituto Cultural Brasil-Estados Unidos in Rio de Janeiro reported that an average of 530 reference questions a month were answered through their library service during the first quarter of 1947, including an average of 85 per month which were handled by mail. The União Cultural Brasil-Estados Unidos in São Paulo, Brazil, reported that a total of 9,880 reference questions were answered during the second quarter of 1946 and 12,000 for the third quarter of 1946. The evidence available indicated that the questions answered in cultural centers ranged from inquiries about simple geographical locations to such complex ones as a request for "the alveolar equation of the multiple-factor theory of the control of respiratory ventilation". The general development of book services in the cultural centers is indicated by the fact that the total number of books in the collections increased from 45,000 in 1945 to 72,000 by the end of 1946, while, during the same period, total circulation figures rose from 24,000 to 180,000.

During 1947, the academic offerings of the cultural centers have been augmented by a program of visiting American lecturers; their services were made available under a project financed by the Division of International Exchange of Persons and carried out in conjunction with the Division of Libraries and Institutes of the Department of State. At the request of the centers, the Department sought to furnish outstanding talent to provide short lecture courses in such subject fields as American history, literature, institutions, architecture, political science, music, and art. Under this program Arthur S. Aiton, professor of Hispanic-American history at the University of Michigan, lectured at the Centro Colombo-Americano in Bogotá; Robert G. Caldwell, dean of humanities of the Massachusetts Institute of Technology and professor at the Fletcher School of Law and Diplomacy, was featured at the Instituto Cultural Peruano-Norteamericano in Lima; and Kenneth J. Conant, professor of architecture, Harvard University, was popular with cultural-center audiences in Brazil and Argentina. William D. Hesseltine, professor of history, University of Wisconsin, interested cultural-center students and general audiences in American history in San José, Costa Rica, and Guatemala City, Guatemala. Philip W. Powell, associate professor of history, Northwestern University, visited the Centro Ecuatoriano-Norteamericano in Quito, and Stanley T. Williams, professor of American literature, Yale University, was sent to Mexico City to lecture under the auspices of the Instituto Mexicano-Norteamericano de Relaciones Culturales. Aaron Copland, eminent American musician, composer, and conductor, lectured to cultural-center audiences in Brazil and, under the auspices of the centers, talked with Brazil's outstanding musicians and acted as guest conductor to local orchestras. The centers cooperated in this program by organizing classes, featuring books and visual aids which would supplement the lectures, providing the necessary advance publicity, and making contacts with appropriate institutions and professional groups.

In addition, the cultural centers have regularly availed themselves of the lecture services of other American scientists, scholars, diplomats, businessmen, artists, musicians, librarians, and teachers traveling abroad, under both public and private auspices. Many distinguished Americans have contributed lectures in their respective specialties to cultural-center audiences and groups of interested persons assembled by the centers.

Aided by excellent libraries of phonograph records and specially designed amplifying equipment, representative reproductions of American art, collections of photographs suitable for exhibit, and slide and film-strip projectors, the centers sponsor a varied program featuring many aspects

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For a more comprehensive account of cultural-center book collections see Josephine C. Fabilli, "Libraries in the United States Cultural Centers in the Other American Republics", the Record (published by the Interdepartmental Committee on Scientific and Cultural Cooperation, Department of State), June 1946, pp. 9-16.

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of the culture of both the United States and the host country. Art exhibits, concerts, dramatic presentations, club activities, exhibits of United States books, photographs and posters, receptions, teas, dances, and games form a part of the cultural and social programs of the centers. Documentary films about life in the United States, furnished through the motion-picture unit of the United States Information Service of the United States mission, attract throngs of Latin Americans from all social strata and serve to correct many wrong impressions of the United States which are common abroad. While records on attendance at such functions are incomplete, the figures available indicate that during the calendar year 1946 some 360,000 persons were present at general functions of the centers.

The nature and variety of the cultural and social programs characteristic of the cultural centers have been described at some length in an article by Leonard Ross Klein, formerly director of English courses at the Associacão Cultural Brasil-Estados Unidos in Bahia, Brazil. Although cultural programs at the centers are universally popular, not all of them attract as much attention as the art exhibit held at the União Cultural Brasil-Estados Unidos of São Paulo from April 19 to May 5, 1947. Deciding that the public of São Paulo was surfeited with a diet of exhibitions by the same well-known painters, the American director of the department of English and his staff prepared a preliminary plan for exhibition of the works of 19 young Brazilian painters who had hitherto been unknown. The idea was discussed with and approved by the board of directors, and the center prepared a striking catalog containing a short biography of each of the "Novos", with an introduction and a self-portrait by a popular artist and critic. Even before the center was prepared to advertise its plans, the Jornal de São Paulo and Diário de São Paulo broke the story, characterizing the forthcoming exhibition as a "coming major event in the art world of São Paulo". The Diário da Noite began soliciting the opinions of well-known artists concerning the exhibit and São Paulo's outstanding artists were unanimous in their praise of the União's plan.

The exhibit, consisting of 251 works of art including drawings, guaches, and oils, was opened at the Galería Prestes Maia on April 19. Civil and military authorities, critics, artists, board members, teaching staff, and Consul General Cecil M. P. Cross were in attendance. On April 20, the newspaper Estado de São Paulo announced, "The painting exposition inaugurated yesterday at the Galería Prestes Maia, under the auspices of the União Cultural Brasil-Estados Unidos, represents one of this year's most important events in the field of plastic arts". Several days later local art critics published remarks which started a series of controversial articles, first between critics and the new artists and later among the critics themselves. The public, their curiosity being thus aroused, flocked to the exhibit to the number of 50,000 during the first two weeks. One critic proposed that the whole controversy be aired publicly, and this was done in a series of public forums which attracted about 600 people to each session. The press continued to praise the exhibit, and Geremia Lunardelli, Paulista industrialist, interested himself to the extent of offering cash prizes to the participating artists. On the night of May 5, the prizes were awarded at a special ceremony featuring, besides the winning artists, a play by one of São Paulo's best dramatic companies.

By bringing to the fore the work of these 19 artists, the União helped to adopt them into the artistic family of São Paulo. As a result, several of them were employed as illustrators for newspapers and magazines and otherwise found that their work had commercial value. According to the report from São Paulo, wherever one sees the works of these new artists referred to, a legend is included pointing out that the artist was one of those "who took part in the exposition of the 19 painters".

Many of the contributions made by cultural centers toward inter-American understanding, such as the friendships which have grown from close acquaintance of Latins with Americans who have served in the classrooms and libraries of the centers, may be regarded as long range and not susceptible to measurement. However, certain immediate advantages of such a program to both
Latin Americans and Norteamericanos provide the real explanation of why nationals of all countries concerned have been willing to contribute toward its support.

The centers have met an insistent demand for high-caliber instruction in English and have trained an estimated 80,000 Latin Americans in the language in the past five years. Through the forming of and cooperation with national associations of English teachers, they have kept Latin American teachers abreast of the latest in United States pedagogical techniques and materials and have improved the professional qualifications of such teachers by conducting intensive summer courses in English and by otherwise providing for their in-service training. In this way the centers’ influence in teaching English has extended to the base of the national school systems and contributed toward making English the foreign language of first importance in the curricula of schools throughout Latin America. The textbooks developed in and published by the cultural centers have been of considerable interest to the various educational centers in the United States which are concerned with teaching English as a foreign language for the benefit of foreign students.

Through the English-teaching program, the centers have improved the qualifications of employees serving in national and American firms abroad, thereby performing a service for both the employee and the employer. As has been previously stated, the advantages of training in English have been so obvious that industry has increasingly subsidized this training for their employees.

Romance-language students in United States high schools and colleges reap benefits from United States participation in the cultural centers’ program, since the American teachers sent to the cultural centers are recruited primarily from the ranks of Spanish and Portuguese teachers in United States schools and after two, three, or more years’ service in Latin America ordinarily return to their former academic pursuits with greatly improved professional qualifications. They then bring to the American classrooms a thorough knowledge of the language they are teaching, plus a foreign experience which enables them to provide a more realistic interpretation of Latin America for the benefit of their students in this country. Far-sighted school boards and college administrators have encouraged their teachers to participate in the program because of the obvious advantages which will accrue to their respective institutions.

Through their book service, the centers have acquainted Latin readers with the latest and best of American publications, popularized them among center clientele, and provided a fair picture of contemporary United States life. By including American classics, the centers have furthered understanding of our literary heritage. Circulation of American books and the conduct of an efficient public reference service, while not yet an impressive feature of most centers' activities, are potentially two of their most important services.

The overseas programs of several United States Government agencies, particularly those participating in the Interdepartmental Committee on Scientific and Cultural Cooperation, have found that the centers supplement and assist their activities in various ways. They often provide the language instruction which trainees in industrial and technical fields need before they can profit from training in the United States. The book collections in the centers sometimes provide materials which further such training programs carried on locally. Moreover, the centers provide an audience and a platform for the professors, technicians, government specialists, and others who go to the other American republics under either government or private auspices.

Latin American students who aspire to study in the United States or who have returned to their homes after studying in institutions of higher learning in the United States have naturally gravitated to the cultural centers because the centers have cooperated with the local binational scholarship selection committees by screening applicants and administering tests which determine students’ fitness for study in an English-speaking institution. Publicizing available scholarships and announcing the method of applying for them have been part of this function. The possession of collections of college catalogs and reference books on public and private schools in the United States enables the centers to provide information and guidance to such students. Alumni associations, comprising important groups of students who have studied in the United States, have been formed by many of the centers. By using the

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center as headquarters, the alumni associations provide a body of students who can advise their friends who plan to study in the United States and who can make their experiences known to general cultural-center audiences.

Americans traveling to the principal cities of Latin America find the centers a convenient place to locate information about the host countries. They enjoy the opportunity afforded to meet Latin Americans in an informal situation and to participate in activities which serve to interpret both their own and the respective Latin American countries. Among the most enthusiastic supporters of the program of assistance to cultural centers are private American citizens who find that visits to the cultural centers add materially to the enjoyment of their foreign travel. After observing the varied activities sponsored by the centers, they are proud that they are helping to support such a program. While the American Embassies and Consulates abroad have invariably felt an obligation to perform similar services for traveling Americans, they have had neither the staff nor the facilities to do so. Now, they find they can simply refer visitors to the centers, with confidence that such visitors will be hospitably received.

The centers have provided an opportunity for members of the Foreign Service and resident Americans abroad to learn, or to review, Spanish, Portuguese, and French (in Haiti), both in social situations and in formal classes taught by competent Latin American teachers at minimum cost.

Finally, the cultural centers have afforded a training ground in cooperative educational and information programs for professional Americans. By administering and participating in programs of the centers American personnel gain experience which has in individual instances been useful to the Department of State in filling similar positions in the Foreign Service Reserve or Foreign Service Staff. Such a contribution may be increasingly important in the future as cultural and information programs achieve maturity and assume their full role as part of the foreign policy of the United States.

In the early stages of the cultural-center program it was doubtless feared by Americans, on one hand, that participation in such a program would mean a heavy and continued burden on the American taxpayer; and by people of the other American republics, on the other hand, that United States participation would transform what were essentially local institutions into tools of an alleged Yankee imperialism. Time has proved both fears to be groundless.

Appropriations by the Congress of the United States increased steadily from 1941 up to the fiscal year 1948. Meanwhile, the program was growing in size and importance out of all proportion to the increased appropriations. Also, the amount of funds raised from local sources abroad was increasing faster than the contributions of this Government. By the end of 1946, 59 percent of the cost of the entire operation of twenty-four cultural centers, three large English-teaching programs, and various branch activities was derived from local sources.

The principal sources of local income are: (1) fees from classes and dues for membership; (2) contributions from interested local business firms and individuals; (3) subsidies from the host governments; (4) miscellaneous receipts from local activities; and (5) gifts in the form of property or materials. Contributions from local business firms and from individuals have formed an increasingly important part of the centers' local fiscal structure.

During 1947, the American Society in Mexico City donated $4,000 to the Instituto Mexicano-Norteamericano de Relaciones Culturales for the purpose of constructing an auditorium. The American Society in Santiago, Chile, has regularly subsidized the Instituto Chileno-Norteamerican de Cultura of that city. A prominent steamship company made contributions to cultural centers in both Concepción and Valparaiso, Chile, during this year. A Chilean firm also provided funds for the center in Concepción. In January, three companies donated a sum aggregating almost $1,000 to the Centro Cultural Paraguayo-Americano in Asunción. When United States military establishments in Habana, Cuba, and Recife and Fortaleza, Brazil, were withdrawn, military authorities donated substantial collections of American books to the local cultural centers in those places. Harold W. Soule, director of the college department of an American publishing company, offered his private collection of recordings of classical music, including from 1,000 to 1,500 records, to the cultural center in San José, Costa Rica.

In 1947 the Congress appropriated $584,868 to provide assistance in the form of American per-
sonnel, materials, and small grants of cash to defray operating deficits which cannot be covered from local sources. Reports thus far available suggest that by the end of 1947 nearly $800,000 will have been derived from local sources.

Thus, despite the hazard of unprecedented inflation and the consequent sharp increase in all operating costs, the cultural centers have made gains toward self-sufficiency. At the same time, the cost of Washington personnel to administer the Department's program of assistance has been less than 4 percent of the amount spent from all sources on the program abroad.

The sincerity of the United States Government in participating in a program which has served the interests of all concerned has been evidenced in many ways beyond mere financial cooperation. The assistance provided by the Department of State has been primarily in the form of professionally qualified Americans who have served as teachers of English and as administrators of the cultural centers, under the direction, and as employees, of the local binational boards of directors. By June 1947, there were 84 such Americans serving in cultural centers on grants from the Department. They were providing effective language instruction, book services, and an active program of social and cultural activities, as well as sound business management. This personnel was supplemented by some 300 locally hired employees. The implication is not intended that the contributions of individual American citizens have been forthcoming entirely from staffs supplied by the Department. The Americans and nationals of the boards of directors and the locally hired staffs have likewise served the centers' cause with both zeal and devotion. Individual Foreign Service officers and their wives have been instrumental in founding some of the centers and have traditionally cooperated in many ways toward furthering the success of the centers' activities.

The energy, enthusiasm, and practicality of these Americans who have served the interests of the centers have demonstrated to the cooperating Latin Americans the indubitable sincerity of the United States, and they have dispelled whatever fears may have existed that United States assistance would mean infringement on local autonomy. Unquestionably the maintenance of harmonious and friendly relations in this cooperative program has been derived from the selfless service performed by the teachers and administrators in the cultural centers, the Americans on the boards of directors, interested members of the Foreign Service, and other traveling and resident Americans who have displayed their interest in the work of the centers. Therein lies the real explanation of why this Government has succeeded as a collaborator in the program.

The conclusion that the program of assistance to cultural centers is a cooperative enterprise will be self-evident. It is cooperative in the sense of Americans and foreign nationals working together harmoniously toward mutual ideals of peace and understanding. It is cooperative in the sense that its benefits accrue to both parties to a bilateral program. In a financial sense, it is cooperative in that support is derived from public and private sources in both the United States and in the countries of Latin America. Those persons who seek reciprocal institutions in the United States will find them in the twenty-three inter-American centers located in the principal cities of the United States, where the interest of our citizenry has been focused in organizations dedicated to familiarizing Americans with Latin American culture. These counterparts of the cultural centers abroad are financed at present from private United States sources, but the inclination of Latin America to come to the assistance of cultural centers in the United States has been demonstrated this year by the Argentine Government. Using the Instituto Cultural Argentino-Norteamericano in Buenos Aires as his pattern, Oscar Ivanissevich, Argentine Ambassador to the United States and representative of Argentina on the Governing Board of the Pan American Union, initiated Spanish-language classes at the Argentine Embassy in Washington, D. C., under the name Escuela Argentina. At the school's inauguration on March 29, 1947, it was announced that the language classes would later be followed by a United States and Argentine cultural institute which would eventually sponsor a full-fledged cultural program, including the awarding of scholarships to American students for study in Argentina. The precedent established in this way by Argentina may well be followed by other American republics which have so often demonstrated their interest and good will in practical projects contributing to mutual understanding in this Hemisphere.

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THE ECONOMIC AND SOCIAL COUNCIL—FIFTH SESSION

by Kathleen Bell

The Fifth Session of the Economic and Social Council of the United Nations came to a close at 1:36 a.m. on Sunday, August 17, 1947.

For a full month the Council had worked steadily to complete its heavily loaded agenda. Much of the success of the session was due to the impartial and expeditious manner in which Jan Papanek, Vice Chairman of the Council and Representative of Czechoslovakia, had presided over the meetings. The United States was represented by Willard Thorp and his Deputy, Leroy Stinebower.

The agenda consisted of 39 items, which included reports from Commissions of the Council, approval of preparations for two international conferences, agreements with specialized agencies, three items submitted by nongovernmental organizations in category (a), and final preparations for the United Nations Appeal for Children. The record of the session lends weight to the closing words of the President of the Council when he stated that "the work on short-term projects is beginning to bring positive results and machinery set up for long-term programmes is beginning to function".

One of the major functions assigned to the Economic and Social Council by the Charter is the coordination of the activities of the "specialized agencies through consultation with and recommendations to such agencies". To aid in the discharge of this function the Charter further provides that the Economic and Social Council may enter into agreements with the specialized agencies. Nine agreements have so far been approved by the Economic and Social Council, five of them at the Fifth Session alone: the agreements with the Universal Postal Union, the International Telecommunication Union, the World Health Organization, the International Bank for Reconstruction and Development, and the International Monetary Fund. The Council Committee on Negotiations with Specialized Agencies has held over 50 meetings to negotiate all these agreements.

There was some urgency in concluding the agreements with the Universal Postal Union and the International Telecommunication Union at the Fifth Session of the Council, since the Plenipotentiary Congress of the International Telecommunication Union and the General Congress of the Universal Postal Union, which met this summer in Atlantic City and Paris, respectively, convene only at five-year intervals. With this in mind, the Council sent its Negotiating Committee to Paris in June 1947 to work out the agreement with the Universal Postal Union. For this negotiation, as well as those held later at Lake Success, Dr. Papanek acted as President, while Walter Kotschning, Adviser to the United States Representative, served as the United Nations negotiator and rapporteur.

The agreements arrived at with these two organizations differ in form though not in substance from those concluded earlier with other specialized agencies. The articles on budget and finance and on personnel arrangements are less detailed, and the articles in earlier agreements on relations with the various organs of the United Nations are condensed in one article. In the Negotiating Committee as well as in the Council, the Norwegian Representative objected to these differences. He introduced a resolution in the Council approving the agreement but noting "the special circumstances under which these agreements were concluded which made it impossible for the time being to reach agreement in more close conformity with other agreements with Specialized Agencies," and asking that they be revised at the earliest possible date. In opposition it was pointed out that it was never expected that the agreements with all specialized agencies should be identical. The International Telecommunication Union and the Universal Postal Union are organizations with
highly technical functions, small staffs, and accordingly small budgets, making unnecessary lengthy articles on budget and finance and on personnel arrangements. The principles established by the Charter governing the relationships with specialized agencies are fully safeguarded in the agreements. The Norwegian resolution was finally carried, omitting, however, the clause requesting revision at an early date.

The negotiation with the World Health Organization was conducted with representatives of the Interim Commission and will have to await final approval by the First Session of the General Conference of the World Health Organization. This negotiation, based to a large extent on the International Labor Organization agreement, was concluded in the record time of three hours, with negotiators of both sides readily accepting minor amendments and compromises.

The agreements with the International Bank for Reconstruction and Development and the International Monetary Fund posed special problems. The negotiators for the Bank and the Fund, Mr. McCloy and M. Gutt, emphasized that their organizations must at all costs be protected against any political pressures. This was particularly important for the Bank as it was considering specific loans. It was stated that unless the independence of the Bank was recognized in this respect, the organization would have difficulties in placing its securities on the market. Both negotiators also emphasized that they could not accept any budgetary control on the part of the United Nations and pointed out that both organizations finance their administrative expenses from the proceeds of operations and not by way of contributions from member states.

All parties recognized, in line with a legal opinion delivered by the Assistant Secretary-General for Legal Affairs, that under articles 58, 60, 63(2) and 64(1), the United Nations has as one of its principal functions the task of making recommendations to specialized agencies. The Economic and Social Council accepted, however, in article IV(3) of the agreement with the Bank, that the “United Nations recognizes that the action to be taken by the Bank on any loan is a matter to be determined by the independent exercise of the Bank’s own judgment in accordance with the Bank’s articles of agreement. The United Nations recognizes, therefore, that it would be sound policy to refrain from making recommendations to the Bank with respect to particular loans or with respect to terms or conditions of financing by the Bank”.

With regard to budgetary matters, article X, paragraph 3, of the agreements reads in part: “the United Nations agrees that, in the interpretation of paragraph 3 of Article 17 of the United Nations Charter, it will take into consideration that the Bank (Fund) does not rely for its annual budget upon contributions from its members and that the appropriate authorities of the Bank (Fund) enjoy full autonomy in deciding the form and content of such budget”. This formulation does not preclude recommendations on the part of the General Assembly regarding administrative budgets of the Bank and the Fund but makes them unlikely.

These particular articles and certain minor divergencies from the model agreements with specialized agencies were vigorously opposed by the Representatives of Norway and the Soviet Union on the grounds that they are contrary to the letter and spirit of the Charter. They emphasized the need for budgetary coordination by way of recommendation on the part of the General Assembly. Notwithstanding this opposition, it was the view of the majority of the Council that the agreements were in conformity with the Charter; they were approved by a vote of 13 in favor, 3 against, and 2 abstentions. The Representatives of Norway and the Union of Soviet Socialist Republics indicated that they would raise the issue again before the General Assembly, which must approve the agreements before they can come into force.

In the economic field two of the vital items discussed were the preparations for the United Nations Conference on Trade and Employment and the reports of the two regional Commissions, the Economic Commission for Europe (Ece) and the Economic Commission for Asia and the Far East (Ecafe).

The preparations for the long-awaited Ito conference have finally been completed with the Council consideration of the interim report from the Preparatory Committee of the United Nations Conference on Trade and Employment. This Committee was established by the Council at its
First Session and was charged with the task of making preparations for a United Nations Conference on Trade and Employment. The Preparatory Committee met in Geneva from October 15 to November 26, 1946, and again from April 10 to August 15, 1947. The Committee's report covered the proposed agenda, date and place, invitations, and voting rights to be given to non-United Nations members.

At Geneva, the Cuban Government extended an invitation to hold the conference in Habana; the Council, noting that this generous offer included an “offer of conference facilities and financial assistance to meet the additional costs to the United Nations of holding the Conference away from headquarters”, resolved that the conference should be held in Habana beginning November 21, 1947. The agenda for the conference as approved by the Council is based upon the various chapters of the draft charter. It includes items on employment and economic activity, economic development, general commercial policy, restrictive business practices, and intergovernmental commodity arrangements, together with provisions relating to organization, membership, and other miscellaneous matters.

The question of invitations and voting rights caused considerable discussion. The Preparatory Committee had recommended that, in addition to members of the United Nations, the following countries be invited to participate, with full voting rights, in the work of the conference: Albania, Austria, Bulgaria, Eire, Finland, Hungary, Italy, Portugal, Rumania, Switzerland, Transjordan, and Yemen. It was further recommended that “provision should be made for the attendance of persons qualified to represent the appropriate authorities in Germany, Japan and Korea” and separate customs territories such as Burma, Ceylon, and Southern Rhodesia.

The Council accepted the recommendations of the Preparatory Committee on the issuance of the invitations. The Representative from India requested that Pakistan and the Republic of Indonesia also be sent invitations. The Council approved the proposal, although the Economic Committee of the Council had recommended that no direct invitation be issued to the Republic of Indonesia. The Council, furthermore, decided to send invitations to the specialized agencies and other appropriate intergovernmental organizations and to nongovernmental organizations in category (a).

The United Kingdom strongly supported the granting of voting rights to non-United Nations members, stating that the proposed conference was a functional one dealing with practical matters leading to the acceptance of important obligations. The success of the trade conference depended upon the fullest possible coverage of the world economy. Mr. Stinebower, the Deputy United States Representative, countered that the granting of the right to vote would break the precedent established in the United Nations Health Conference. He did not think that there was validity to the argument that absence of voting rights would cause lack of interest. Since the conference was to be called the United Nations Conference on Trade and Employment, there should be some distinction between members of the United Nations and non-United Nations members. It was made perfectly clear, however, that the United States approved of non-United Nations members’ becoming full-fledged members of the Iro upon adhering to the charter. A resolution proposed by Canada stating that “voting rights shall be exercised only by United Nations Members attending the Conference” was finally accepted.

The report of the Economic Commission for Europe covered its first two sessions (May 2-14 and July 5-16, 1947). In the course of these meetings, the Commission had adopted its rules of procedure, which provide for inclusion of Russian as a working language and for special consultative arrangements for nongovernmental organizations. It had taken steps toward the termination of the European Coal Organization, the European Inland Transport Organization, and the Emergency Economic Committee for Europe and the transfer of the functions of these organizations to the Economic Commission for Europe. To this end the Commission had decided, subject to the approval by the Economic and Social Council, to set up a coal committee and an inland-transport committee of its own, as well as a number of other committees and subcommittees dealing with electric power, industry, and materials, including timber, fertilizer, and alkalis, and a panel on housing problems. The Commission had furthermore instructed its Executive Secretary to consult with the Allied
Control Council concerning the establishment of liaison in Berlin and with the control authorities concerned regarding the organizational arrangements necessitated by the transfer to the Commission of the activities of the Eco, ECE, and ECRO. In the discussion of the report, the Representative of the Union of Soviet Socialist Republics objected strongly to this instruction to the Executive Secretary for the establishment of a liaison with the Allied Control Authorities and also wanted it made clear that the references to inland transport should not be interpreted to include the “internal European waterways of international significance”. These two objections were not formally upheld by the Council, which approved the work thus far accomplished by the Commission and decided to transmit to the Commission the views expressed by members of the Council.

The Economic Commission for Asia and the Far East, the second regional commission to be established by the Council, reported on its first session, which met in Shanghai, and the work accomplished by the Committee of the Whole, which met at Lake Success. The ECAFE, like the ECE, was established to aid in the reconstruction of war-devastated countries and for the period of reconstruction. The Commission recommended that a study be made of the reconstruction needs of the countries within the geographic scope of the Commission and of the sources from which the requirements of these countries could best be met. The Committee of the Whole recommended to the Council that certain territories might be accepted as associate members of the Commission if an application was presented “by the member responsible for the international relations of such territory”. Associate membership would entitle the representatives of the territories to participate without vote in the work of the Commission and the Committee of the Whole and would allow them to be “appointed to and hold office on any subordinate body established by the Commission”. The Council accepted this recommendation and “requested Members of the Commission concerned to forward such applications”. In addition the Council extended the terms of reference of the Commission to allow it “to make recommendations on any matters within its competence directly to the Governments of Members or Associate Members concerned, Governments admitted in a consultative capacity and the Specialized Agencies concerned.” It also authorized the Commission to consult with the representatives of the respective control authorities in Japan and Korea.

Following the discussion of the two regional commissions came a proposal by the Representative of Chile to create a Commission for Latin America. This Commission, unlike the other two already established, would not be a commission for assistance in reconstruction but rather a body to help in the economic development of the Latin American countries. The United States Delegation suggested that the establishment of this commission should wait upon the outcome of the Ninth International Conference of American States convening in January 1948 in Bogotá, which is to study the entire inter-American system with a view to its reorganization. Consequently, a resolution was passed creating an ad hoc committee consisting of Chile, China, Cuba, France, Lebanon, Peru, the United Kingdom, the United States, and Venezuela to study the factors bearing upon the creation of such a commission and to consult with the interested agencies and the Bogotá conference.

The proposal to establish this commission and the hint that there might eventually be a proposal to establish one in the Middle East led the New Zealand Representative to propose a resolution requesting the Economic and Employment Commission to examine and report on the general questions involved in the creation of regional commissions. It was argued that the Council should decide to establish commissions on a functional or on a regional basis but not on both, as their activities would invariably overlap. The Council approved this proposal and expects to consider the report of the Economic and Employment Commission at its session in July 1948.

Two other Commission reports were before the Council. The first was submitted by the Fiscal Commission, reporting for the first time to the Council. It outlined an elaborate program of work which in all its major aspects was endorsed by the Council. The Secretary-General was requested inter alia to build up a fiscal information service, including information on national budgets, Government revenue, appropriations and expenditure, public debt, taxation problems, and other significant facts and trends relative to public finance; to arrange for the publication of a Public Finance...
Survey, 1937–1947, and of a volume, Public Debt, 1914–1947, continuing the work of the League of Nations in these fields; and to collect data on international tax problems, including discriminatory taxes imposed upon foreigners.

The report of the Economic and Employment Commission was subjected to severe criticism as being “too academic” and “full of generalizations”. The Representative of the Union of Soviet Socialist Republics, supported by several other members of the Council, complained that the report did not do justice to the needs of underdeveloped and of smaller countries. The Representatives of the Netherlands and Norway asked that the Commission give consideration to concrete problems such as the existence of bottlenecks to reconstruction. After a prolonged, inconclusive discussion, the Council decided to “take note” of the report and referred to the Commission the comments made in the course of the discussion.

Although the United States Delegation was prepared for an extended discussion, the question of international control of oil resources, an item proposed by the International Cooperative Alliance over strong objections from some delegations, was merely noted by the Council. Other items in the economic field which were included in the agenda were the report of the Timber Conference, convened by the Food and Agriculture Organization, and the reports of the Secretary-General on relief needs after the termination of UNRRA, on the financial needs of devastated countries, on the reconstruction of Ethiopia and other devastated areas not included in the report of the Temporary Subcommission, and on expert assistance to member governments. These were largely progress reports or reports which did not call for any specific action by the Council, and the Council, therefore, simply took note of them.

The report of the Meeting of Experts on Passport and Frontier Formalities, another item on the agenda, recommended measures to reduce, simplify, and unify the passport and frontier formalities of the various nations. The Council, before taking any further steps, requested the Secretary-General to make a comparative analysis of the relations between the practice of member governments and the recommendations of the Meeting of Experts and of the extent to which members have indicated willingness to change their present practices to conform with the recommendations of the experts.

Since the Council concluded that its agenda was too long and other items more pressing, consideration of the universal adoption of a world calendar, an international metric system of weights and measures, and the decimal system of currencies and coinage was postponed “for the time being”.

As on the economic side, one of the most important questions the Council considered in the social field was the preparation for an international conference—the Conference on Freedom of Information. As in the discussions on the preparation for the Conference on Trade and Employment, one of the problems was the question of invitations and voting rights for non-United Nations members. Following a consistent policy, the Council decided that voting rights should be exercised only by members of the United Nations and that invitations should be issued to the same list of countries not members of the United Nations as was approved for the Conference on Trade and Employment, with the exception of the Republic of Indonesia.

With regard to the time and place of the conference, the Council had to inform the General Assembly that it was not possible to complete preparations in time to hold it in 1947 as originally recommended by the General Assembly. It was recommended that the Subcommission on Freedom of Information and of the Press continue its preparations for the meeting, which will begin March 23, 1948, in Geneva.

The report of the Subcommission was made directly to the Council, rather than through the Commission on Human Rights, because of the urgency of preparations. The Representative of the U.S.S.R. took sharp issue with the report and particularly the proposed agenda for the Conference on Freedom of Information, which he found quite inadequate because it failed to emphasize the character and tasks of a responsible press. He submitted a substitute statement and agenda, which, however, were rejected by the Council, and the discussion continued on the Subcommission report. The Council approved the organization of the forthcoming conference into a General Committee and four principal committees and requested the Secretary-General in cooperation with Unesco and other intergovernmental organizations in the field...
to prepare the necessary documentation on the basis of the provisional agenda. The provisional agenda as approved by the Council includes a general discussion of the principles of freedom of information; a consideration of certain fundamental principles to which media of information should have regard in gathering, transmitting, and disseminating news and information; measures to facilitate the gathering of information and the international transmission of such information; measures concerning the free publication and reception of information; consideration of the drafting of a charter of rights and obligations of the media of information; problems involved in the establishment of governmental and semigovernmental information services; and the implementation of the recommendations of the conference.

In adopting this agenda the Council supported the American contention that the major accent in the conference should be placed on the promotion of the free interflow of news rather than on the establishment of governmental controls over the press which the Soviet group in the Council sought to foster with a view to curbing “excesses” of the press.

Three items on the agenda of the Council dealt with matters arising out of the liquidation of UNRRA. The first was a progress report by the International Children’s Emergency Fund, which was set up by the General Assembly in December 1946 to continue some of the child-feeding operations and related activities of UNRRA. The report indicated that the International Children’s Emergency Fund (ICEF) had completed its organizational stage and was entering upon active operations. To carry on its activities substantial funds from private sources will be required in addition to voluntary contributions made by governments. In this connection the Council devoted considerable time to the discussion of a second item on the agenda, the “one day’s pay proposal”. It approved the broadening out of the original “one day’s pay proposal” to a “United Nations appeal for children”. The active fund-raising will not be undertaken by the United Nations Secretariat but by national committees, which in the case of most countries will be set up especially for this purpose. The Secretary-General was authorized to invite distinguished individuals representing various racial, religious, cultural, and geographical groups to act as sponsors of the appeal. In addition, there are to be established two international committees to aid in the campaign. The first is to be composed of the chairman, or one other member, of each of the national committees as established and of one representative each of the nongovernmental organizations in category (a) willing to take an active part in the campaign, plus three additional members to be appointed by the Secretary-General. The second committee is to be a special committee set up by the Economic and Social Council, composed of seven of the Council members to assist the Secretary-General between sessions of the Council in the practical application of the Council’s policies relating to the United Nations appeal for children. The following seven members of the Council were elected: Canada, Chile, China, Czechoslovakia, France, New Zealand, and the United States.

The third in this group of items dealt with the Advisory Social Welfare Services, which were initiated at the end of 1946 with a view to continuing on an urgent basis some of the functions in the social-welfare field which UNRRA had carried on and which were in danger of lapsing. The program includes the provision of experts on social welfare for countries seeking expert advice, the training of social-welfare workers and the provision of fellowships for this purpose, demonstrations and equipment in prosthetics and vocational rehabilitation, and the distribution of publications on social-welfare matters. The General Assembly had provided for these purposes an item of $670,000 in its 1947 budget. Various Council members, in reviewing the achievements made under this program, expressed some criticism of the slow start of activities under the program, while others expressed some doubt as to whether the Council and the Secretariat could legitimately continue to be responsible for an “operating” program. In the end, the Council requested its Social Commission to review the report of the Secretary-General on this matter and to make recommendations concerning future programs and the best methods of financing them. It requested the Secretary-General to review his budgetary provisions for the continuation of the Advisory Social Welfare Services ($750,000 for 1948) in the light of these recommendations.

Two items of the agenda dealt with matters...
which may eventually be embodied in international conventions. At its Fourth Session, the Council had referred the item on trade-union rights (safeguarding of freedom of association), proposed by the World Federation of Trade Unions, to the International Labor Organization for study. At the Fifth Session of the Council, the International Labor Organization submitted a report stating the fundamental principles on which freedom of association must be based and informing the Council that the embodiment of these principles in a convention would be considered at the 31st Conference of the ILO to be held in June 1948. In addition the question of international machinery for the application of these conventions is to be studied by the Governing Body of the ILO. Over the objections of the representatives of the World Federation of Trade Unions, who felt that the problem was too urgent to be considered in this slow manner, the Council approved the work accomplished and proposed by the ILO and requested the Secretary-General to arrange for cooperation between the ILO and the Commission on Human Rights in the study of these problems.

In addition the Council considered the question of the draft convention on the crime of genocide which the General Assembly had referred to the Council. A draft convention drawn up by the Secretariat had not been circulated in sufficient time for consideration by governments or the Commission on Human Rights. Without such consideration the Council did not feel competent to undertake the drafting of a convention at this session and reported to the General Assembly that it would "proceed as rapidly as possible with the consideration of the question, subject to any further instructions by the General Assembly".

Continuing discussions began at the Fourth Session regarding the use to be made of communications and complaints received by the Commission on Human Rights and the Commission on the Status of Women, the Council decided over strenuous Soviet opposition that such communications deserved consideration even though the Commissions had no power to take any action in regard to complaints concerning human rights or the status of women. The Representative of the Union of Soviet Socialist Republics held that any such communications should be disregarded, while the United States Representative strongly urged that a study of such communications would greatly aid the Commissions in their work and would lend reality to their activities. The Council approved procedures for the handling of such communications which will attain these ends while protecting the authors.

Some minor items on the agenda were dealt with expeditiously. The Council approved UNESCO's consideration of Hungary's application for membership, the transfer of certain United Nations assets to the World Health Organization, and the transfer to the United Nations of certain powers and functions exercised by the League of Nations under the conventions on traffic in women and children and on obscene publications. It referred the item on the protection of migrant and immigrant workers, submitted by the American Federation of Labor, to the International Labor Organization for study.

No meeting of the Council is complete without a discussion of procedures and the consideration of relationships with nongovernmental organizations. In discussing uniform rules of procedure for the commissions, the United States lost a battle it has been fighting since commissions and sub-commissions first were established. It has been the position of the United States that, as far as possible, members of commissions and sub-commissions should be experts serving in their individual capacities rather than government representatives. This concept did not prevail when the commissions were first set up. Members of sub-commissions, however, were elected as experts. In establishing the new uniform rules of procedure the Council decided over United States objections on the insertion of a new rule allowing an alternate to a subcommission member to be "designated by the member with the consent of his national government and in consultation with the Secretary-General" and to serve with the same status as the member, including the right to vote. This evidently means that from here on members of sub-commissions will also essentially be representatives of their governments rather than persons serving in their individual capacity.

In discussing the program for 1948 the Procedures Committee did not have sufficient time to arrive at final conclusions. It was, however, decided that the Sixth Session of the Council should
meet at Lake Success in February 1948 and the Seventh Session in Geneva in July 1948. The remainder of the schedule of conferences and meetings of commissions and subcommissions was referred to an interim committee set up to study the question further.

At each session of the Council there are new applications for consultative status under article 71 from both international and national organizations. Acting on an application of the International Organization of Industrial Employers, the Council approved this Organization for consultative relationship in category (a). Eighteen international organizations were admitted to consultative status in category (b) and four to the same status subject to the exclusion of their Spanish affiliates. The World Federation of Democratic Youth and the Women’s International Democratic Federation were denied their requests for transfer from category (b) to category (a). For the first time and over the strenuous objection of the Union of Soviet Socialist Republics, national organizations were considered. Following the policy laid down by the Council “that national organizations should normally present their views through their respective governments”, the Council admitted only four, the Howard League for Penal Reform, the National Association of Manufacturers, the Carnegie Endowment for International Peace, and the All India Women’s Congress. These organizations, it was felt, were not represented through organizations already granted consultative status and could bring to the Council and its commissions points of view and experience not otherwise represented.

The World Federation of Trade Unions continued its campaign for additional privileges, this time asking for the right to call for a special session of the Economic and Social Council under the same conditions as the specialized agencies and to participate in the deliberations of the Council concerning the adoption of any agenda item it might propose and in the examination of that item. It also asked that the Council, prior to reference of any question to a commission or specialized agency, give directives to that body. All these requests were rejected except that the Council granted to all organizations in category (a) which had succeeded in placing an item on the agenda of the Council the right to make an introductory statement of an expository nature before the Council. Such an organization may furthermore be invited by the President of the Council, with the consent of the Council, to make an additional statement in the course of discussion for the purposes of clarification. With regard to the third request of the WFTU, it was pointed out that “the way in which the Council deals with any question on its agenda is in each case entirely within the competence of the Council”.

In the closing meeting Dr. Papanek reemphasized, as had Sir Ramaswami Mudaliar before him, that “the prime function of the Council is to coordinate the activities and policies of the Specialized Agencies”. The Council was not created to be an operating agency. The specialized agencies and possibly the regional commissions established by the Council or its commissions are the organizations which in the final analysis are expected to produce concrete results. It is for the Economic and Social Council to channel their activities to get the quickest and most effective action. With the conclusion of the nine agreements with specialized agencies, the stage is now set for a thorough review of this function by the Council at the forthcoming session in February 1948.

U. N. Documents—Continued from page 893


Security Council


Trusteeship Council


October 26, 1947
I have the honor to refer to the facts that on September 17, 1947 the United States Secretary of State announced that the United States was placing the problem of Korean Independence before the General Assembly and on September 23, 1947, the General Assembly voted to place that problem upon its agenda. On September 26, 1947, the Chief Soviet Delegate on the Joint United States-U.S.S.R. Commission meeting in Seoul, Korea, made the following statement, in translation:

"Therefore, the Soviet Delegation considers that it is possible to afford the Koreans an opportunity to form a government by themselves without the aid and participation of the Allies under the condition of withdrawing the American and Soviet troops from Korea."

The United States Government desires to take any practicable step which will further the speedy establishment of a truly independent Korea. The only concern of this Government is to make certain that its responsibilities to the Korean people and to the United Nations are properly carried out. It will be recalled that after negotiations in the Joint Commission had reached a stalemate the United States Government proposed that the question of forming a government for Korea be discussed in Washington by representatives of all powers adhering to the Moscow Agreement on Korea, China, the United Kingdom, the U.S.S.R. and the United States. China and the United

Kingdom accepted this suggestion but the U.S.S.R. did not. It was only after this that the matter was presented to the United Nations. It is believed that in as much as the General Assembly has already voted to consider the problem of Korean independence, its attention should be called to the most recent Soviet proposal, referred to above, as well as the suggestions for a solution of the problem which the Secretary of State said the United States Government would be prepared to advance. With these proposals before it the General Assembly will, it is hoped, be able to recommend measures for an orderly transition from the present systems of government in north and south Korea to an independent, united Korean government and the consequent speedy withdrawal of all occupying forces.

There is therefore transmitted herewith a Resolution which contains the suggestions the United States Delegation will submit for the consideration of Committee 1 of the General Assembly when the problem of Korean independence comes before that body. It is considered that an arrangement of the nature indicated in this Resolution should make possible the early establishment by the Korean people themselves of their own government and the withdrawal of all Soviet and United States armed forces from Korea.

It is requested that copies of this letter together with its enclosure be circulated to the various delegations to the General Assembly for their information.

Accept [etc.]

WARREN R. AUSTIN
Department of State Bulletin
The General Assembly

Recognizing the urgent and rightful claims to independence of the people of Korea;

Having in mind that it is one of the purposes of the United Nations to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples;

Having noted the international obligations undertaken with respect to Korea, including the Cairo Declaration of December 1, 1943, in which China, the United Kingdom and the United States stated their determination that in due course Korea shall become free and independent, the Potsdam Proclamation of July 26, 1945, in which China, the United Kingdom and the United States reaffirmed the terms of the Cairo Declaration and to which the Union of Soviet Socialist Republics adhered upon entering the war in the Pacific, and the Moscow Agreement of December 27, 1945, in which the United Kingdom, the Union of Soviet Socialist Republics and the United States, with the adherence of China, provided that there shall be set up a provisional Korean democratic government with a view to the reestablishment of Korea as an independent state;

Believing that the national independence of Korea should be reestablished and all occupying forces should be withdrawn from Korea at the earliest practicable date;

To this end, Recommends that the occupying powers hold elections in their respective zones not later than March 31, 1948, under the observation of the United Nations, as the initial step leading to the creation of a National Assembly and the establishment of a National Government of Korea in conformity with the procedure set out in the Annex to this Resolution.

Further recommends that immediately upon the establishment of the National Government of Korea referred to above, that Government will constitute its own national security forces and will arrange with the occupying powers for the early and complete withdrawal from Korea of the armed forces of the Union of Soviet Socialist Republics and the United States;

Resolves that the responsibilities assumed by the United Nations under this Resolution should be discharged by a United Nations Temporary Commission on Korea, consisting of the representatives of [names of states]. This United Nations Temporary Commission on Korea shall (1) be present in Korea during the elections in each zone with the right of freedom of travel and observation throughout all of Korea, (2) be available for such consultation as may be appropriate in connection with the elections, the organization of the National Assembly, the formation of the National Government and the conclusion of Agreements for the withdrawal of the occupying forces, (3) report to the General Assembly or if in its judgment developments so require to any competent agency of the Assembly with respect to its activities under the terms of this resolution, and make any recommendations that it may wish concerning further United Nations action in maintaining the independence of Korea;

Calls upon the Member States concerned to afford every assistance and facility to the United Nations Temporary Commission on Korea in the fulfillment of these responsibilities.

ANNEX

Recommended Procedure for the Holding of Elections and the Establishment of a National Government of Korea

(1) The elections to be held by the occupying powers in their respective zones not later than March 31, 1948, shall be for the purpose of choosing representatives to a National Assembly. The number of representatives elected to the National Assembly from each zone shall bear the same proportion to the total membership of the National Assembly as the population of that zone bears to the total population of Korea. Subject to this principle, the number of representatives to be elected from each zone shall be determined by the United Nations Temporary Commission on Korea in consultation with the occupying powers.

(2) As soon as possible after the elections the National Assembly of Korea shall meet and form a Government and shall notify the United Nations

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Temporary Commission on Korea of the formation of this Government.

(3) Upon notification to the United Nations Temporary Commission on Korea of the formation of a National Government of Korea, that Government shall take over the functions of government from the military commands and civilian authorities of north and south Korea, respectively, in accordance with arrangements to be agreed upon under the auspices of the United Nations Temporary Commission on Korea between the Government of Korea and the respective occupying authorities.

(4) The United Nations Temporary Commission on Korea shall be available for such consultation and assistance as may be requested and appropriate in connection with the decisions and actions contemplated in paragraphs (1), (2), and (3) above.

[Copies of the above note have been circulated to the delegates of the member nations of the United Nations General Assembly. In this connection the Department of State made available on October 17 a booklet entitled Korea's Independence, which contains a brief narrative account of the efforts made by this Government to bring about Korea's independence and the full texts of all the pertinent documents.]

Korea's Independence

Korea's Independence, a documentary record of the wartime and postwar commitments of the Allied Powers concerning Korea, was released by the Department of State on October 17, 1947, as publication 2933. The pamphlet includes annexes containing texts of protocols and declarations regarding Korea and negotiations with the U.S.S.R. on the Joint Commission. Copies may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D.C. for 15 cents each.

General Assembly Special Committee Established To Observe Greek Frontier

STATEMENT BY U.S. DEPUTY REPRESENTATIVE TO THE U.N.1

The efforts of the United Nations to protect the territory and the independence of Greece passed a significant milestone today. The Political and Security Committee of the General Assembly completed action on a resolution which calls upon Albania, Bulgaria, and Yugoslavia to do nothing which could furnish aid and assistance to the guerrillas fighting against the Greek Government. And, most important of all, the Committee, by large majorities, has approved the establishment of an on-the-spot General Assembly commission to observe and report to the United Nations whether or not the northern neighbors of Greece are complying with this injunction. In addition, the Commission is empowered to assist in the settlement of frontier problems, the repatriation of refugees, and the transfer of minorities.

This decision, we believe, will give heart to the peoples of the world who look to the United Nations for constructive action in maintaining peace.

The debate that preceded today's action was long, and often it was intemperate. The United States Delegation regretted particularly the declaration by the Representative of the Soviet Union that his Government would not participate in the work of this commission if it is established. The Committee decided, however, to leave open two places on the commission in the hope that the Soviet Union and Poland may yet decide to participate. The United States Delegation earnestly hopes they will.

The resolution provides that the Special Commission shall establish headquarters in Salonika and shall begin its work within 30 days after final approval by the General Assembly. It is the hope of the United States that this final approval will be voted soon.

Our desire for early action is supported by experience. The Commission of Investigation sent into the area by the Security Council earlier this

1 Broadcast over the network of the American Broadcasting Company on Oct. 13, 1947, and released to the press on the same date by the U.S. Mission to the U.N. Herschel V. Johnson is U.S. Deputy Representative to the United Nations.
year undoubtedly served to deter guerrilla activity throughout the area. But the struggle of Greece to recover from the ravages of war continues to be sabotaged by the destruction of bridges, the mining of roads and rail lines, and the pillaging of farms and villages. It is our hope that the presence of the General Assembly committee will help to end this era of destruction and succeed in effecting better relations between Greece and her northern neighbors. If these aims are not achieved, this commission will have the power to recommend the calling of a special session of the General Assembly. It will be a watchdog for the General Assembly which by today's action has clearly demonstrated its intention to help bring peace to this troubled area.

TEXT OF RESOLUTION

1. WHEREAS
The peoples of the United Nations have expressed in the Charter of the United Nations their determination to practice tolerance and to live together in peace with one another as good neighbors and to unite their strength to maintain international peace and security; and to that end the Members of the United Nations have obligated themselves to carry out the purposes and principles of the Charter;

2. The General Assembly of the United Nations, HAVING CONSIDERED the record of the Security Council proceedings in connection with the complaint of the Greek Government of 3 December 1946, including the report submitted by the Commission of Investigation established by the Security Council resolution of 19 December 1946, and information supplied by the Subsidiary Group of the Commission of Investigation subsequent to the report of the Commission;

3. TAKING ACCOUNT of the report of the Commission of Investigation which found by a majority vote that Albania, Bulgaria and Yugoslavia had given assistance and support to the guerrillas fighting against the Greek Government;

4. CALLS UPON Albania, Bulgaria and Yugoslavia to do nothing which could furnish aid and assistance to the said guerrillas;

5. CALLS UPON Albania, Bulgaria and Yugoslavia on the one hand and Greece on the other to co-operate in the settlement of their disputes by peaceful means, and to that end recommends:

(1) That they establish normal diplomatic and good neighbourly relations among themselves as soon as possible;

(2) That they establish frontier conventions providing for effective machinery for the regulation and control of their common frontiers and for the pacific settlement of frontier incidents and disputes;

(3) That they co-operate in the settlement of the problems arising out of the presence of refugees in the four States concerned through voluntary repatriation wherever possible and that they take effective measures to prevent the participation of such refugees in political or military activity;

(4) That they study the practicability of concluding agreements for the voluntary transfer of minorities.

6. ESTABLISHES a Special Committee:

(1) To observe the compliance by the four Governments concerned with the foregoing recommendations;

(2) To be available to assist the four Governments concerned in the implementation of such recommendations;

7. RECOMMENDS that the four Governments concerned co-operate with the Special Committee in enabling it to carry out these obligations;

8. AUTHORIZES the Special Committee, if in its opinion further consideration of the subject matter of this resolution by the General Assembly prior to its next regular session is necessary for the maintenance of international peace and security, to recommend to the Members of the United Nations that a special session of the General Assembly be convoked as a matter of urgency;

9. DECIDES that the Special Committee shall consist of representatives of Australia, Brazil, China, France, Mexico, the Netherlands, Pakistan, the United Kingdom and the United States of America, seats being held open for Poland and the Union of Soviet Socialist Republics;

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10. **SHALL HAVE** its principal headquarters in Salonika and with the co-operation of the four Governments concerned shall perform its functions in such places and in the territories of the four States concerned as it may deem appropriate;

11. **SHALL RENDER** a report to the next regular session of the General Assembly and to any prior special session which might be called to consider the subject matter of this resolution, and shall render such interim reports as it may deem appropriate to the Secretary-General for transmission to the Members of the Organization; in any reports to the General Assembly the Special Committee may make such recommendations to the General Assembly as it deems fit;

12. **SHALL DETERMINE** its own procedure, and may establish such sub-committees as it deems necessary;

13. **SHALL COMMENCE** its work within thirty days after the final decision of the General Assembly on this resolution, and shall remain in existence pending a new decision of the General Assembly;

14. The General Assembly,

Requests the Secretary-General to assign to the Special Committee staff adequate to enable it to perform its duties, and to enter into a standing arrangement with each of the four Governments concerned to assure the Special Committee, so far as it may find it necessary to exercise its functions within their territories, of full freedom of movement and all necessary facilities for the performance of its functions.

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### The Financial Position of Trieste

**LETTER FROM THE DEPUTY MINISTER OF FOREIGN AFFAIRS OF THE UNION OF SOVIET SOCIALIST REPUBLICS ADDRESSED TO THE SECRETARY-GENERAL ENCLOSING DECISION BY THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS DATED 22 APRIL 1947**

Moscow, 7 September 1947

Sir: I have the honour to forward to you herewith the decision taken by the Council of Ministers of Foreign Affairs in Moscow on 22 April 1947 on the report of the Commission which investigated the financial position of Trieste, together with the report of this Commission of 27 February 1947.*

Twenty-five copies of the texts of both documents in each of the working languages of the Council of Ministers of Foreign Affairs are being forwarded to you.

(Signed) A. VYSHINSKY

Deputy Minister of Foreign Affairs.

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### FREE TERRITORY OF TRIESTE

**Decision Taken by the Council of Foreign Ministers on April 22nd, 1947, concerning the Report of the Trieste Commission of Inquiry**

The Council of Foreign Ministers having considered the report of the Trieste Commission of Inquiry as well as the comments on the report submitted by the Government of the Federated People's Republic of Yugoslavia and by the Government of Italy, have reached the following conclusions:

1. The solution of the questions of the budget, balance of payments, currency, customs and other financial and economic questions concerning the Free Territory of Trieste which were discussed in the report of the Commission falls within the competence of the Governor and the Council of Government and the Popular Assembly of the Free Territory in accordance with the relevant Articles of the Permanent Statute of the Free Territory of Trieste. Until the coming into force of the Permanent Statute the solution of these questions falls within the competence of the Governor and the...
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Provisional Council of Government in accordance with the relevant Articles of the Instrument for the Provisional Regime of the Free Territory of Trieste. In the solution of these questions the economic independence of the Free Territory should be provided for in accordance with the above mentioned provisions, particularly Paragraph 4 of Article 24 of the Permanent Statute.

(2) The Council of Foreign Ministers recommends that, as from the date of the establishment of the Provisional Council of Government of the Free Territory of Trieste and until a new customs regime is introduced by the authorities of the Free Territory of Trieste the present regime should be maintained and goods of Italian and Yugoslav origin should be imported into the Free Territory of Trieste without payment of customs duty, provided that reciprocal arrangements will be granted by these countries to the products originating in the Free Territory of Trieste; and that the Governor and the Provisional Council of Government should make every effort to institute the new customs regime within a period of three months.

Proclamation of Narcotics Protocol

President Truman on October 14, 1947, proclaimed the Protocol, with accompanying Annex, amending the Agreements, Conventions, and Protocols on Narcotic Drugs concluded at The Hague on January 23, 1912, at Geneva on February 11 and 19, 1925, and July 13, 1931, at Bangkok on November 27, 1931, and at Geneva on June 26, 1936. The Protocol, which was opened for signature at Lake Success on December 11, 1946, and signed for the United States on that date, was ratified by the President on July 15, 1947, and entered into force with respect to the United States on August 12, 1947, the date of deposit of its instrument of ratification with the Secretary-General of the United Nations.

The amendments set forth in the Annex do not come into force in respect of each Agreement, Convention, and Protocol mentioned therein until a majority of the parties thereto have become parties to the present Protocol. The United States is party only to the agreements concluded at The Hague in 1912 and at Geneva in 1931.

Corrigendum

In the Bulletin of September 28, 1947, page 653, column 2, in a list of treaties still under consideration by the Senate, the Great Lakes fisheries convention with Canada was listed as having been signed at Washington on April 29, 1942. The date should be April 2, 1946.

October 26, 1947
This is my first opportunity as Secretary of State to discuss our foreign policy before a special gathering of American labor. You have an important part to play in the determination of that foreign policy and especially in making it effective.

Everyone agrees, I think, that labor plays a vital part in the functioning of the modern state. If labor can be confused or embittered, if labor can be made to lose faith in the community of which it forms a part, then the core of any national society is threatened. The enemies of democracy know this, and it explains the efforts they make to undermine the confidence of the labor element in the stability of our institutions and the soundness of our traditions.

I am confident of American labor’s reaction to efforts made to disrupt the structure of our society in the domestic field. But the problems of foreign relations are in their very nature remote from the American scene and are more easily distorted. For this reason I wish to outline certain of the fundamental considerations which I believe are important to an understanding of the American position today.

There is a danger that the individual man, whose well-being is the chief concern of all democratic policies, foreign or domestic, is being lost sight of in the welter of ideological generalities and slogans which fill the air. Generalities are frequently accepted as gospel truth without even a superficial examination of the validity of their basic tenets. Often they are intended to obscure the basic issue, which, as I see it today, is simply whether or not men are to be left free to organize their social, political, and economic existence in accordance with their desires, or whether they are to have their lives arranged and dictated for them by small groups of men who have arrogated to themselves this arbitrary power.

This issue is as old as recorded history. But in the world today it has assumed more menacing proportions than ever before. The great enemy of democracy has always been the concentration of arbitrary power in a few hands.

The particular theory used as a justification for the suppression and eventual elimination of civil liberties varies with the times. All such theories, however, contain within themselves the greatest of all historical fallacies—that in human affairs the end justifies the means.

I do not have to point out to this convention that the rights of labor and the hope and possibility of further gains for labor are absolutely dependent upon the preservation of civil liberties. The issue is not one of political labels, but whether or not civil liberties, the right of criticism, and right of recall of individuals elected to governmental responsibility remain intact. No section of the American population has a more vital stake in the preservation of free institutions in the world than has American labor. For among the first victims of any dictatorial regime, and notably of the police state, is the right of labor to organize itself for the protection of its interests.

It is rather trite to say that the world is now a small place, but that is a fact, and what happens in distant places affects our affairs and our lives inevitably, often very quickly, and sometimes most seriously. The present situation in Europe is definitely of the last-mentioned character.

The basic problem of world recovery is production. Production of course involves other critical factors—food, fuel, housing, and communications, for example, not to mention political influences or controls. With reference to the situation in Eu-

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1 Delivered before the national convention of the Congress of Industrial Organizations in Boston on Oct. 15, 1947, and released to the press on the same date.
At the present moment the dominant factors are food and coal. Problems of foreign exchange, dollar shortages as now expressed, are heavily involved in the dilemma. I repeat that the immediate requirements at this time are food and coal.

Europe is entering on another long winter. As has already been described by numerous observers and authorities, the situation is precarious. Outside assistance is absolutely necessary to prevent a really dangerous deterioration in health and morale before any carefully determined long-range program can possibly be put into effect.

There now exists the urgent necessity for positive interim measures to prevent a fatal deterioration in Europe—political, economic, and psychological—before Congress has sufficient time to consider and act upon a possible long-range plan for American assistance.

The present food-saving plan is one such interim measure. The committees of Congress, which are being scheduled to meet in November, will undoubtedly consider others. Meanwhile the Administration will do all within its limited power to lend assistance.

These measures alone will not suffice. They are but a step—an all-important step—to prevent a collapse this winter.

When I made a public statement at Harvard on June 5 last, it was plainly evident that a situation had developed where we must immediately choose between two lines of action—either to concern ourselves solely with our own internal affairs despite our heavy commitments in Germany, Austria, and Italy, while Europe suffered a complete political and economic demoralization; or we must take action to assist Europe in avoiding a disastrous disintegration with tragic consequences for the world. Therefore, the suggestion was made that the European countries, under the pressure of the dilemma which faced them, should join together in working out a mutual basis of cooperation for their own rehabilitation and should determine, on a businesslike basis, the degree and character of the outside assistance they calculated would be urgently needed over and above what was humanly possible for them to accomplish for themselves.

We have now reached the point where 16 nations have submitted a preliminary plan, both as to their own agreed actions and as to what outside assistance they feel will be necessary in the next four or five years. At the same time, our resources have been reviewed in order that no step might be taken which would involve an unwise drain on our economy. The European plan is now under study by the various agencies of the Government concerned and by the special groups which were formed by direction of the President. Certain committees of Congress have planned to meet in a few weeks to consider first the measures which may immediately be necessary and later the proposal soon to be submitted by the Government for assistance in the long-range rehabilitation of Europe.

Whatever form the proposal may take we must be assured that the participating countries will make every possible effort to reach the production rates they have set for themselves and that they will make the necessary fiscal reforms. We have great admiration for the fortitude displayed by the people of these countries under prolonged conditions of want and extreme hardship. But the present situation requires more than stoical, even heroic endurance. I repeat that basically the present problem of world recovery is one of production. And I add the comment that increased production emphatically demands harder work, and that in turn demands more, not less, food.

The productivity of American farms and factories is of tremendous concern to the entire world. For that and other reasons we occupy a very special position in the world, which carries with it a heavy responsibility which cannot be avoided, even if we might wish to do so. Therefore we must face the facts. The United States stands in the midst of a highly critical world period. The situation involves dangers which affect every American alike. It would be a great folly to assume that we can stand aloof or that we can straddle the issue. A very distinguished American recently stated that "No private program and no public policy, in any sector of our national life, can now escape from the compelling fact that if it is not framed with reference to the world it is framed with perfect futility". What endangers the United States endangers all of us—labor, industry, and agriculture alike. Because the economic stability of Europe is essential to the political stability of Europe, it is of tremendous importance to us, to our peace and security, and it is equally important to the

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entire world. We are faced with the danger of the actual disappearance of the characteristics of western civilization on which our Government and our manner of living are based.

We are proceeding in a determined campaign which has for its purpose world stability, a condition absolutely necessary to world peace. It is a difficult business. It requires infinite patience and a constant effort to understand the other fellow’s

Report on National Resources and Foreign Aid

STATEMENT BY THE PRESIDENT

[Released to the press by the White House October 18]

I have received a report from the Secretary of the Interior on national resources and foreign aid.1

This report is the first in a series of three reports being prepared by special committees which I appointed in June to study the relationship between the interests of our domestic economy and the extent to which the United States can aid friendly foreign countries in programs of self-rehabilitation and reconstruction.

The task assigned Secretary Krug’s committee was to explore the state of our resources and report upon their adequacy to contribute to foreign reconstruction. This report covers the physical aspects of the subject, with only such reference to economic and fiscal aspects as is necessary to define the problem of resource use.

Secretary Krug reports that on the whole our national resources are physically sufficient to preserve the national security and the American standard of living and at the same time to support a considerable foreign-aid program. The report emphasizes that intelligent utilization of our natural resources calls for an expanded program to conserve them from waste and more intensive efforts to discover and develop new sources of supply for many of our basic raw materials.

The fact that our natural resources are adequate

Report on Greece

BY GEORGE C. McGHEE

In response to an urgent appeal by the Greek Government, Congress authorized in May of this year the Greek and Turkish aid program, under which 300 million dollars was allocated to Greece. President Truman in his message to Congress on the aid act stated that if aid were not extended Greece could not survive as a free nation but would be forced into the Communist orbit by a Communist minority supplied from abroad. By an overwhelming majority Congress determined that it was in our national interest to aid this freedom-loving nation, our gallant ally in the last war, in restoring her war-devastated economy and in providing military supplies needed to establish internal order. An American Mission for Aid to Greece, under the leadership of former Nebraska Governor Dwight P. Griswold, was sent to Greece to administer the program.

In the meantime Americans have been asking many questions about the Greek-aid program: "Was the United States justified in assuming this grave responsibility toward Greece?" "Can Greece really be saved?" "What sort of a job is the American Mission doing?" "What can the Mission hope to accomplish with the funds provided?"

I have just returned from a 3-weeks visit to Greece. I spent a great deal of time with Governor Griswold and his staff and with the American Ambassador, Mr. MacVeagh. I talked with Greek political leaders and with members of the Greek Government. I met with the Greek Prime Minister, Mr. Sophoulis, who has, despite his advanced age, returned to political life to lead his people under the new coalition government. I talked with businessmen in Athens, with farmers and villagers in the Peloponnesus and Crete, and with refugees in the guerilla area north of Salonika.

I would like to report on the situation in Greece as I saw it—to give an accounting of how your Government is carrying out the mandate of the American people to aid Greece.

First of all, the American Mission in Greece is a good mission. Its members are representative Americans who were carefully chosen on the basis of outstanding ability in administration or in the specialized fields for which the Mission is responsible. They were selected from some 6,000 applicants and on the basis of questionnaires sent to 1,000 men who had made outstanding contributions in previous public service. In most cases members of the Mission are serving at personal sacrifice as the result of a strong patriotic appeal.

The Director of the Agriculture Division was drafted from his position as business manager at Texas A. and M. College. The Director of the Commerce and Supply Division left a key position in a New York food concern, following an outstanding Government career which included service as a top official in the War Production Board. The Mission Highway Engineer was formerly Commissioner of Highways in West Virginia, a state which is considered to have about the same type of country as Greece. The Head of the Industry Division was formerly President of the Sperry Gyroscope Company. Other top officials of the Mission are men of similar caliber.

I found at Mission headquarters a spirit of enthusiasm and teamplay. The Mission staff believe in their Mission. They are not the dollar imperialists the Moscow press would have the world believe. They come as friends to a country they genuinely want to help and whose sovereignty and dignity they respect—as they respect the greatness of her past.

But you may say, "What has the Mission done to save Greece?"

First of all there is the purely statistical record. Seventeen shiploads of United States military supplies and equipment have been delivered to the Greek Army. Greek troops are now fighting with our ammunition and subsisting on our supplies. In addition, 135,000 tons of wheat and flour have arrived in Greece and 7,800 tons of milk for the Greek children. Other necessary Greek imports,

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1 Address broadcast over CBS on Oct. 15, 1947, and released to the press on the same date. Mr. McGhee is Coordinator for Aid to Greece and Turkey.

such as petroleum, coal, automotive spare parts, and fertilizers have been financed with Aid funds.

But the accomplishments of the Mission cannot be measured entirely in terms of goods delivered. Since it began operations in July, the Mission has been quietly laying the groundwork for cooperation with the Greek Government to assure that American aid is effectively utilized for the purposes intended and that the Greeks themselves make the maximum contribution from their own resources in the recovery effort.

On some matters the Mission gives technical advice to the Greek Government. Where the use of American resources is involved, the Mission has agreements with the Greek Government which permit control over the operations. Where joint resources of the two countries are involved, cooperative agreements have been negotiated which define the obligations and responsibilities of both countries. An example is the Public Roads Administration, where an American engineer administers the construction and maintenance of Greek roads.

A start has been made in the reconstruction of Greek transportation facilities damaged or destroyed by the war and which are acting as a bottleneck to all Greek recovery. American contractors, with typical American initiative and energy, have organized Greek engineers and laborers. Jobs have been offered to guerrillas who accept the Government's amnesty. They have brought in American equipment and materials as required, while at the same time endeavoring to make maximum use of local Greek materials. Work has been started on the Salonika-Athens highway. Workmen are busy repairing the damaged docks at Piraeus and are clearing the vital Corinth Canal. All this reconstruction activity is a visible and even dramatic evidence to the Greek people of the sincere desire of the United States to aid the Greek nation.

For the first time since the termination of war, Greece has a sound and complete economic program, designed to start her on the road toward self-support. In his address last Monday night in Athens, Prime Minister Sophoulos announced a program developed in cooperation with the American Mission. The Prime Minister calls for sacrifice and privation from the Greek people in achieving their own recovery. He announced a new foreign-exchange plan designed to overcome the handicaps to Greek export trade of an overvalued currency and to sell their tobacco, olive oil, currants, and other products on the world market. He also announced the creation of a Foreign Trade Administration headed by an American employee of the Greek Government. This Administration will have authority to grant all import licenses. It will eliminate luxury imports and will promote Greek export trade. The Prime Minister also for balancing the Greek budget, which can be accomplished only by abolishing non-essential Government services and effecting economies in public administration.

In other areas vital to the recovery of Greece, the Mission has made real if not spectacular progress. Agriculture provides a livelihood for 60 percent of the people in Greece. Orders have been placed for seeds, fertilizers, and pesticides; canning plants imported by UNRRA have been put into operation; spare parts have been ordered for tractors and other farm equipment; a well-drilling program has been started to increase ground water necessary to expand productive land areas.

Mission experts in government administration are working directly with a liaison team of Greek officials to assist them in effecting a general reorganization of the Greek Government. This is designed to increase administrative efficiency, to improve civil-service procedures, and to make overall savings in the Greek budget. The Greek Government is reducing its civil service employees by 15,000 before December 15.

In the field of public health, the Mission has taken steps to procure vaccines and sanitary facilities for the 200,000 refugees in the north of Greece who have been made homeless by guerrilla activity. It is assisting the Greek Government in a reorganization of its health services. It is financing an effective anti-malaria program conducted by the Greek School of Hygiene, which has reduced malaria cases from 2,000,000 to 50,000 a year.

In the field of labor the Mission is aiding the Greek Government in the development of a sound wage and salary structure designed to promote industrial efficiency and an equitable relationship between income and prices. The Mission has begun to train Greek workers in the skills required for the reconstruction program and in other practical fields which will assist in Greek recovery.

I would not, however, have you think that the
path to recovery in Greece will be easy nor that Greek independence of foreign aid is yet in sight. The purchasing power of the Aid funds has been lowered by increased world prices. This year's wheat crop in Greece is only two-thirds normal. A considerable portion of the Aid funds earmarked for reconstruction has by necessity been diverted to military expenditures. Guerrilla activity has not been decreased by the liberal offer of amnesty by the Greek Government. The balancing of the Greek budget has not as yet been accomplished.

One can, however, say that all of the necessary elements for recovery are now present and can begin to be operative once internal order is established in Greece. In the restoration of internal order we are relying heavily on the creation by the General Assembly of the United Nations of a commission which will effectively seal the Greek border against assistance to the guerrillas from Greece's northern neighbors. If order can be restored, there is every reason to be optimistic about the recovery of Greece—even more optimistic than one can be about the recovery of the more industrialized countries of Europe. If order is not restored there can be no recovery.

I would at this point like to express my conviction on two vital points which are not clear to all Americans. The first is that Greece is a real democracy—as we understand democracy. The word democracy originated in Greece. There has been much talk about domination of Greece by a few wealthy people in Athens. In my opinion this has been grossly exaggerated. There is individual wealth in Greece, as there must be in any free-enterprise incentive system. There have been selfish individuals and groups which have taken advantage of Greek democracy to further their own interests. But basically the Greek people are as democratic as any people on earth. All of the basic freedoms are jealously guarded. There are two Communist papers in Athens that attack the Government and the American Aid Mission daily. I am proud to say they attacked me. The last Greek election was, in the opinion of the Allied observers, a fair election. The Greek Government is highly responsive, sometimes too responsive, to the desires of its people.

Secondly, I believe that Greeks are unalterably opposed to Communism and will combat it with all means at their disposal. Greece has essentially an agricultural economy, and the Greek farmer, like all farmers, is devoted to the principle of private property. In talking with refugees who have been driven from their homes by the guerrillas, I found many who had been subjected to Communist propaganda but none who believed any of the grandiose promises the Communists made. In one village of 800 there had been only one Communist adherent; in another of 450 there were 25. In recent labor-union elections the moderate "reformists" won 452 members while the Communists won 49.

It is equally true, however, that without our assistance Greece cannot withstand continued aggression by her more powerful Communist neighbors to the north. In Macedonia only 60 miles of Greek territory separates Bulgaria from an outlet to the Mediterranean. If Greece's northern neighbors continue their support of the Greek guerrilla forces, the need for foreign aid will continue beyond June 30, 1948, no matter what achievements are made by the American Aid Mission and the Greek people toward recovery.

Greece is, of course, one of the 16 European countries involved in the so-called Marshall plan. Any decision on that plan or a continuation of the Greek-aid program is one for the people and the Congress of the United States. Only they can decide the extent and nature of any further aid to be furnished to Greece. The policy of this country to support Greek integrity and independence, consistent with our obligations under the United Nations Charter, will not, however, terminate with the present aid program on June 30, 1948, but will continue as long as Greece remains a democratic country desirous of resisting Communist aggression.

Additional Appointments to AMAG

The Department of State announced on October 14 the appointment of George L. Reed as Housing Adviser for the American Mission for Aid to Greece, to assist in solving the severe housing problems in that country. Wartime damage to housing in Greece is said to be the heaviest of any combatant nation, with an estimated 150,000 to 200,000 buildings completely destroyed and over 40,000 more partially damaged. Funds are being made available by the Mission to permit procure-
The record of the week

A record of the necessary fittings and materials not obtainable in Greece for repairs and for erection of new dwellings. Further, there are plans for temporary construction of barracks-type winter shelters for 15,000 people who will soon have to move out of school buildings and other inadequate accommodations in the Salonika area, where the housing situation has been aggravated by the large concentration of refugees from guerrilla warfare.

En route to Greece, Mr. Reed is stopping in Geneva to participate in the Panel on Housing Problems of the Economic Commission for Europe. He is taking with him to Geneva and to Greece data on public and private housing developments in the United States and an exhibit of new building methods and materials.

The Department of State also announced on October 14 the appointment of the following additional members of the American Mission for Aid to Greece:

William A. Underwood, reports analyst
Edna N. White, home demonstration specialist
L. Malcolm Slaght, deputy chief, industry
Henry Wiens, government expenditure specialist
Kenneth H. McGill, reports analyst
William W. Deitrick, auditor
Ludwig Weindling, textile specialist
Louis M. Knight, marketing specialist

Tripartite Commission Begins Restoration of Monetary Gold

[Released to the press by the Tripartite Commission simultaneously in Europe and U. S. on October 17]

The Tripartite Commission for the Restitution of Monetary Gold, composed of Russell H. Dorr, United States Commissioner and Chairman, Sir Desmond Morton, KCB, CMG, MC, United Kingdom Commissioner, and Jacques Rueff, Commissioner for France, announced on October 17 at its seat in Brussels the preliminary distribution of 128,468 kg. of fine gold to certain of the countries which during World War II were despoiled of monetary gold by Germany: 90,649 kg. has been allocated to Belgium; 1,929 kg. to Luxembourg; and 35,890 kg. to the Netherlands.

Further, the Tripartite Commission points out that part III of the Paris reparation agreement provides that shares of the gold pool shall be set aside for countries not represented at the reparation conference (including Austria and Italy), pending decision as to the participation of such countries in the pool. Therefore, having determined that a portion of the claims submitted by Austria and Italy under the authority of this provision are clearly valid, the Commission has ordered that 26,187 kg. for Austria and 3,805 kg. for Italy be set aside. Negotiations for inclusion of Austria and Italy in the gold pool are in progress and may be completed in time for them to share in this preliminary distribution. Negotiations are also being carried on with regard to the admission of Poland to participation in the gold-pool arrangement.

The bulk of the distribution will consist of monetary gold looted by the Nazis and recovered by the United States Army in the immense cache in the salt mines at Merkers, Germany, in April 1945. The balance will be delivered from stolen monetary gold sold by Nazi Germany to Switzerland during the war and turned over by that country to the Allied Powers under the Washington accord of May 25, 1946.

Ten countries—Albania, Austria, Belgium, Czechoslovakia, Greece, Italy, Luxembourg, the Netherlands, Poland, and Yugoslavia—have filed claims with the Commission on account of Nazi gold looting. The Commission has examined with care these claims and evidence offered in support of them. Some of the claims raise no legal problems, are fully supported by detailed and verifiable data, and can clearly be allowed at once. Others have been found to give rise to questions of law or fact that will require some further time to adjudicate. The Commission did not feel it proper to ask those countries whose claims were clearly and fully proved to wait for their share until it could complete its work on all claims, particularly in view of the desirability of returning to circulation as soon as possible gold which was looted by Germany and at present remains immobilized. It determined therefore to make this preliminary distribution on account of those claims whose validity is incontrovertible.
In calculating the sum to be allocated, the Commission has kept in reserve a sufficient amount of the gold now on hand to make it possible to satisfy in equal proportion pending claims which may later be determined to be valid. Rights of restitution which may later be recognized are therefore fully safeguarded. On the other hand it should be understood that all of the looted gold recovered will, of course, be distributed as soon as possible to those countries which establish their claims. The Commission is informed that the gold allocated to Belgium in this first distribution will be delivered by that country to France pursuant to an agreement reached in 1944 under which France at that time returned to Belgium the gold of the Belgian National Bank, which was moved to France on the eve of the German invasion of Belgium and was later captured by the Germans. A similar situation prevails as to the allocation to Luxembourg.

Negotiations by the United States, United Kingdom, and France are continuing for recovery of further monetary gold stolen by Germany and sold by it to other countries during the war. Sweden has agreed to restore all gold received from Germany which is accepted by Sweden as having been looted, and it is anticipated that the total of such receipts will be determined shortly. It is hoped that negotiations with other countries may be as successful. All such gold recovered will also be distributed in proportion to losses as determined by the Commission. It is therefore probable that some further payment will be made on account of claims already accepted for the purpose of this preliminary distribution and that the proportionate allocation the Commission will be able to make on account of claims subsequently accepted will be larger. The Commission intends to make further distributions as soon as possible. A number of claims are at present in suspense only because of the delay of claimant countries in supplying the Commission with certain supplementary evidence necessary to complete the proof required by the Paris agreement.

In announcing this first distribution of monetary gold the Commission draws attention to the fact that the Paris agreement on reparations, which established the monetary gold pool, provides explicitly for the restitution of monetary gold to each participating country in proportion to the losses of such gold it suffered through looting by or wrongful removal to Germany. The Commission is in no way responsible for the restitution of gold looted by the Nazis from the victims of concentration and death camps. Under the Paris agreement gold of this type recovered in Germany was placed under the administration of the Inter-governmental Committee on Refugees to be used in the rehabilitation and resettlement of non-repatriable victims of German action.

**German Vessels Made Available to France**

[Released to the press October 16]

The Acting Secretary of State on October 16 advised the French Ambassador of the availability for transfer to the French Government of certain former German naval vessels. These ships, totaling 31 in number, plus one floating dock, are among those allotted to the United States by the Tripartite Naval Commission which was established by the Potsdam Conference. The undertaking by this Government to make available to France a part of its share of the captured German vessels was incorporated into the Blum-Byrnes agreement of May 28, 1946.1

With the exception of two destroyers at Annapolis, the ships are now in German ports. The French Navy will take possession of the two destroyers on the occasion of the visit to Annapolis in November of the French cruiser Georges Leygues. Arrangements are being made for the early transfer to French command of the remaining ships.

The high proportion of service vessels to combat types results from the desire of the French Government for ships which will contribute to the French civilian economy.

A list of the ships by category follows:

- 3 destroyers
- 1 aviation supply ship
- 1 aviation repair and maintenance ship
- 1 depot ship
- 12 mine sweepers
- 3 trawlers
- 1 tanker
- 7 seagoing tugs
- 2 torpedo transporters
- 1 40,000-ton floating dock

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October 26, 1947
The Italian Government expresses gratitude for return of naval units

[Released to the press October 13]

The Secretary of State has received the following message from Count Carlo Sforza, Minister of Foreign Affairs, of which the following is a translation:

I am extremely grateful to Your Excellency for your communication that the Government of the United States, mindful of worthy services rendered by the Italian Navy during the period of co-belligerency, has decided to renounce completely the Italian naval units assigned to it under the terms of the treaty of peace with Italy and the four-power naval protocol of February 10, 1947.

Your Excellency has also informed me of the desire of your government that these units, scrapped and utilized by Italy in accordance with the provisions of the aforesaid protocol, contribute to welfare of the Italian economy.

I have the honor to advise Your Excellency that the Italian Government has noted with particular satisfaction this decision of the Government of the United States, a decision of which it appreciates above all the high moral significance of which the whole Italian people has learned with lively gratitude and which will draw even closer the bonds of friendship which unite the two navies and two countries.

Army To Purchase French Francs To Pay Procurement Obligations

Statement by the President

[Released to the press by the White House October 15]

The French Government has informed this Government that a sum in excess of 80 million dollars remains to be paid by the United States to France on account of procurement obligations incurred by the United States Army in France and North Africa after September 2, 1945. The auditing of the basic records, which is now in process, is being pressed forward so that settlements can be reached as promptly as possible.

In the interim, in order to help the French Government meet its immediate dollar requirements for essential imports, I have today authorized the Secretary of the Army to purchase from the French Government francs in the equivalent of 50 million dollars, such francs to be used in payment of procurement obligations or for other expenditures of the United States Government.

Interim Air-Transport Agreement With Austria

[Released to the press October 8]

An interim air-transport agreement between Austria and the United States was signed on October 8 at the Bundeskanzleramt by Karl Gruber, Austrian Minister for Foreign Affairs, and John G. Erhardt, American Minister, on behalf of their respective Governments. It is the first air-transport agreement concluded by Austria since the war. It is hoped that this agreement will facilitate and promote the development of commercial and other relations between Austria and the United States and other countries. The agreement is based on the form of agreement approved by the International Civil Aviation Organization (ICAO) and is generally similar to agreements which the United States has concluded in the past few years with more than 30 other countries. It is intended to stimulate and promote the sound economic development of air transportation while eliminating unfair methods of competition.

Murder in Addis Ababa of Alien Employed by American Legation

[Released to the press October 11]

The American Legation at Addis Ababa, Ethiopia, has reported to the Department of State the murder, on the evening of October 9, of Johannes A. Semerdjibashian, an alien employed by the Legation as dragoman-interpreter.

Mr. Semerdjibashian was shot as he was entering the driveway of his home in an official Legation automobile bearing diplomatic license plates.

This Government has informed the Ethiopian Government of the extreme seriousness with which it views this murder and of the urgent necessity for apprehending and bringing to justice the perpetrator of the crime.

Department of State Bulletin
Recovery of American Property Confiscated
By Japanese in China

[Released to the press October 16]

The Department of State has been informed that a deadline of December 31, 1947, has been established by the Chinese Government for the submission of claims for the recovery of identifiable property of which the owners were deprived during the Japanese occupation.

Bureaus for the disposition of enemy and puppet properties have been established in the areas liberated from Japanese occupation. These bureaus have been directed by a decree of the Executive Yuan effective November 23, 1945 (published in the National Government Gazette no. 916, November 26, 1945), to return properties originally owned by Allied nationals to the original owners if after examination convincing evidence is found that the properties were taken over forcibly by the Japanese. When time limits for claiming property have expired, it is the intention of the Chinese Government to dispose of unclaimed properties taken over from the Japanese as enemy-owned properties.

Principles applicable to the recovery of identifiable property removed from Allied countries by enemy forces during the war are stated in the State Department’s announcement of June 5, 1947. Owners of identifiable property which may have been removed from China during the war should submit descriptions of their property to the Chinese Government, as it is the responsibility of the Chinese Government to report the removal of such property to the proper authorities in the countries to which the property may have been taken. Looted property which was removed from China and is discovered in Japan is to be delivered by the Allied Military Authorities in Japan to the Chinese Government.

Geneva Charter for an ITO—Continued from page 794.

agreement with a nonmember, under which it extends to the latter tariff concessions made or other benefits provided under the charter, to obtain the approval of the Organization. Alternative C, the strongest of the three, follows the lines of the original United States suggested charter. It forbids members, one year after the charter comes into force, to extend to nonmembers tariff concessions effected under the provisions of the charter unless specifically permitted to do so by the ITO.

The charter can be amended by the Conference by a vote of two thirds of the members, but any amendment changing the obligations of members will not go into effect for any member until accepted by that member or until two thirds of the members have accepted it. The Conference may expel nonratifying members or establish conditions less drastic than expulsion under which nonratifying members may remain in the Organization.

The charter of the International Trade Organization is being written in a time of economic dislocation. The Charter of the United Nations provides for reconsideration of the provisions of the document within 10 years. The delegates at Geneva believed it wise to include a similar provision in the ITO charter. Article 96 accordingly calls for the convening of a special Conference session to reconsider the provisions of the charter within 10 years after its adoption.

1 BULLETIN of June 15, 1947, p. 1161.

Recovery of Identifiable Property and Registration of Claims for War Damage to American Property in Hong Kong

[Released to the press October 8]

The Department of State has been informed that American nationals who were deprived of identifiable property in Hong Kong during the Japanese occupation may register with the Hong Kong Government claims for the recovery of such property. Applications for the recovery of looted property removed from Hong Kong should be submitted to the Reparations Claims Office, General Post Office Building, Hong Kong. Applications for the return of property located in Hong Kong should be submitted to the Custodian of Property, Windsor House, Hong Kong.

The Department is also informed that the Hong Kong War Damage Claims Commission will register claims for war damage to American property in Hong Kong. The address of the Commission is General Post Office Building, Hong Kong. No provision has yet been made for the payment of compensation to claimants.

October 26, 1947
The Department of State has learned from the Chilean Government that Chile is threatened with the possibility of economic paralysis unless it receives coal supplies from outside of Chile. Consistent with the cooperative relationship that has long existed between Chile and the United States and in fulfillment of the obligations of the good neighbor, the United States Government is issuing the export licenses necessary to enable the Chilean Government to purchase United States coal in sufficient quantities to maintain the minimum essential services. The Government of the United States is naturally desirous of doing everything possible to assist Chile in the present emergency.

Protocol Signed Extending Inter-American Coffee Agreement

On October 16, 1947, Willard L. Thorp, Assistant Secretary for economic affairs, Department of State, signed, subject to ratification, the protocol for the extension of the Inter-American Coffee Agreement for one year beginning October 1, 1947. This protocol renders inoperative all quota restrictions in the agreement.

In addition, the protocol specifies that the Inter-American Coffee Board shall undertake to complete by April 1, 1948, recommendations for the governments now participating in the agreement and of other governments that might be interested in participating in an understanding regarding the type of international cooperation, whether inter-American or other international, that appears most likely to contribute to the development of sound and prosperous conditions in international trade in coffee equitable for both consumers and producers.

The protocol stipulates that such recommendations shall be in accordance with the general principles of commodity policy which are embodied in the chapter on intergovernmental commodity arrangements drafted in the First Session of the Preparatory Committee on the United Nations Conference on Trade and Employment or which may be embodied in the Charter for an Inter-

American Red Cross Aids Victims of Tumaco, Colombia, Fire

The Department of State has been informed by the American Consulate in Cali, Colombia, that the Colombian town of Tumaco, a Pacific-coast port in the extreme southwestern part of that country, has been almost completely destroyed by fire. The disaster appears to have taken place either late on October 10 or early on October 11.

The population, estimated at between 5,000 and 6,000 persons, was reported homeless. Food, clothing, and other supplies were described as urgently needed.

Upon receipt of the first information of the disaster, the Department of State immediately communicated with the American Red Cross, which simultaneously was receiving initial reports from its representatives in the field. Meanwhile, the American Embassy at Bogotá transmitted the request by the President of Colombia, Mariano Ospina Perez, that the American Red Cross furnish relief as quickly as possible.

The American Red Cross advised the Department that its president, Basil O'Connor, had cabled the Red Cross Society of Colombia, in response to President Ospina's request, that the American Red Cross would assist in any manner in which it was able and that such assistance would be provided through the American Red Cross representative in Panama, who intended to proceed to Tumaco.

Initial reports stated that no American citizens were killed or injured. Although no American citizens are known to be permanent residents of Tumaco, an American engineering firm, the Frederick Schnare Company, is engaged in constructing various port facilities there, and a small number of its American employees are temporarily in Tumaco.

An American tanker, the Unoba, of the Union Oil Company, was in the port at the time of the disaster and has delayed its original departure to serve as a medium of radio communication.
Sales and Transfers of Nondemilitarized Combat Matériel

[Released to the press October 17]

There follows a list of authorizations and transfers of surplus nondemilitarized combat matériel effected by the Department of State in its capacity as foreign-surplus and lend-lease disposal agent, during the months of May, July, August, and September 1947, and not previously reported to the Munitions Division:

<table>
<thead>
<tr>
<th>Country</th>
<th>Description of matériel</th>
<th>Procurement cost</th>
<th>Sales price</th>
<th>Date of transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>Miscellaneous cartridges and metallic belt links</td>
<td>$274,088.00</td>
<td>$27,408.80</td>
<td>8/29/47</td>
</tr>
<tr>
<td></td>
<td>Five gunner tank trainers, 75mm M-12 (75mm turret, trainers w/22 cal. conversion kit for .30 machine gun, mounted in the turret M12) and two trainers M10 (37mm).</td>
<td>55,323.00</td>
<td>2,766.15</td>
<td>9/9/47</td>
</tr>
<tr>
<td>Chile</td>
<td>Eleven B-25J, twelve P-47D, two OA-10 aircraft, twenty-nine engines, and miscellaneous spare parts for combat planes.</td>
<td>3,705,673.00</td>
<td>339,475.00</td>
<td>8/29/47</td>
</tr>
<tr>
<td>Cuba</td>
<td>One patrol craft, escort</td>
<td>1,786,700.00</td>
<td>35,500.00</td>
<td>9/29/47</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Spare parts for P-47 aircraft</td>
<td>167,583.32</td>
<td>13,289.73</td>
<td>5/8/47</td>
</tr>
<tr>
<td>Mexico</td>
<td>Miscellaneous cartridges, shells, fuses, grenades, smoke grenades, rocks, smoke rockets, carbiners, guns, machine guns, submachine guns, howitzers, grenade launchers, rocket launchers, mortars, mounts, pistols, projectors, and rifles.</td>
<td>177,959.93</td>
<td>17,533.09</td>
<td>7/3/47</td>
</tr>
<tr>
<td>Mexico</td>
<td>One patrol frigate</td>
<td>2,352,500.00</td>
<td>146,600.00</td>
<td>8/21/47</td>
</tr>
<tr>
<td></td>
<td>Thirty-two armored light cars and seventeen light tanks M5A1 w/37mm guns.</td>
<td>802,945.00</td>
<td>31,403.80</td>
<td>8/19/47</td>
</tr>
<tr>
<td>Peru</td>
<td>Miscellaneous cartridges, shells, shot, rockets, armored light cars, half-track cars, carbiners, guns, submachine guns, rocket launchers, mortars, pistols, rifles.</td>
<td>618,795.19</td>
<td>36,415.22</td>
<td>8/22/47</td>
</tr>
<tr>
<td>Peru</td>
<td>Miscellaneous spare parts for tank lt. M3A1</td>
<td>342,407.69</td>
<td>17,120.38</td>
<td>7/29/47</td>
</tr>
<tr>
<td></td>
<td>Eight torpedoes, Mk 10 Mod 3 (less heads)</td>
<td>64,000.00</td>
<td>6,400.00</td>
<td>9/10/47</td>
</tr>
<tr>
<td>Peru</td>
<td>Miscellaneous cartridges, shells, rifle grenades, smoke grenades, rocks, signals, bayonet knives, bayonets, carbiners, guns, submachine guns, howitzers, grenade launchers, mortars, mounts, pistols, rifles.</td>
<td>781,456.25</td>
<td>73,415.56</td>
<td>9/23/47</td>
</tr>
<tr>
<td>Uruguay</td>
<td>Miscellaneous cartridges, metallic belt links, shells, rifle grenades, smoke grenades, signals, rockets.</td>
<td>129,604.32</td>
<td>10,525.73</td>
<td>7/10/47</td>
</tr>
<tr>
<td></td>
<td>Miscellaneous spare parts for tank lt. M3A1</td>
<td>413,263.05</td>
<td>20,663.15</td>
<td>7/15/47</td>
</tr>
<tr>
<td>Uruguay</td>
<td>Seven AT-6C, five AT-11 aircraft, eight aircraft engines, miscellaneous spare parts for combat aircraft.</td>
<td>723,172.11</td>
<td>204,010.60</td>
<td>7/25/47</td>
</tr>
<tr>
<td></td>
<td>Seven AT-6 and five AT-11 aircraft</td>
<td>592,208.00</td>
<td>135,000.00</td>
<td>8/8/47</td>
</tr>
<tr>
<td>Uruguay</td>
<td>Miscellaneous cartridges, shells, fuses, grenades, smoke grenades, signals, bayonet knives, bayonets, carbiners, guns, submachine guns, howitzers, grenade launchers, mortars, pistols, projectors, rifles.</td>
<td>203,350.09</td>
<td>84,442.25</td>
<td>8/15/47</td>
</tr>
</tbody>
</table>

Visit of Peruvian Chemist

Oswaldo Baca Mendoza, professor of analytical chemistry at the National University of Cuzco, Peru, has arrived in the United States at the invitation of the Department of State to study methods used in American colleges and universities to teach analytical chemistry.

Visit of Guatemalan Agriculturalist

Rodolfo Rivera Ariza, director general of the General Farmers Association of Guatemala, is visiting the United States at the invitation of the Department of State. He is one of a distinguished group of leaders who have received grants, under the program administered by the Department’s Division of International Exchange of Persons for the exchange of professors and specialists between the United States and the other American republics. He will confer with colleagues and observe agricultural projects while in the United States, with the cooperation of the Department of Agriculture.

THE DEPARTMENT

Resignation of William L. Clayton as Under Secretary for Economic Affairs

The President on October 14, 1947, acknowledged receipt of a letter from Under Secretary of State W. L. Clayton submitting his resignation. For text of Mr. Clayton’s letter dated October 7, the President’s reply, and a letter from Secretary Marshall to Mr. Clayton dated June 20, 1947, see White House press release of October 15, 1947.

Frederick L. Zimmermann Joins International Resources Division

The Department of State announced on October 17 the appointment of Frederick L. Zimmermann of Forest Hills, Long Island, N.Y., as consultant in the Fisheries and Wildlife Branch, International Resources Division. Mr. Zimmermann is being added to the staff to assist in the development of an international fisheries conservation program for the northwest Atlantic Ocean. Funds for this specific project were appropriated by the Congress for the 1947-48 fiscal year.

PUBLICATIONS


THE FOREIGN SERVICE

Consular Offices

An American Consulate was established and opened to the public at Kuala Lumpur, Malayan Union, on October 6, 1947.

Oral Examinations for Foreign Service To Be Held in Other American Republics

An examining panel left on October 17 on a trip through Central and South America to conduct oral examinations for admission to the Foreign Service. The panel consists of:

William P. Maddox, Chairman, Director of the Foreign Service Institute, Washington, D.C.

Samuel J. Fletcher, Foreign Service officer, Kittery Point, Maine

Lester D. Mallory, Foreign Service officer, Tanasket, Wash.

Hooker A. Doolittle, Foreign Service officer, Baltimore, Md.

Donald W. Smith, Foreign Service officer, Deputy Director, Office of the Foreign Service, Washington, D.C.

The examinations will be held in Miami, Rio de Janeiro, Buenos Aires, Santiago, Lima, Panamá, Guatemala, and Mexico City.

Most of those who will take the examinations are candidates for admission to the middle and upper classes of the Foreign Service under the Manpower Act who have been exempted from the written examinations; some are candidates for admission to Class 6 who were successful in the special written examination given in October 1946 for veterans and members of the armed forces.
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**Contributors**

Sheldon Z. Kaplan, author of the article on the First Session of the Eightieth Congress and the United Nations, is Assistant to the Legal Adviser, Department of State.

Edmund R. Murphy, author of the article on cooperation with cultural centers in the other American republics, is an officer in the Division of Libraries and Institutes, Office of Information and Educational Exchange, Department of State.

Kathleen Bell, author of the article on the Fifth Session of the Economic and Social Council, is an Assistant for International Organization Affairs, Division of International Organization Affairs, Department of State, and served as Assistant to the U.S. Delegation to the Fifth Session of ECOSOC.
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Vol. XVII, No. 435 • Publication 2959

November 2, 1947

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
The first article on this subject, which appeared in the Bulletin of October 26, covered the activities of the First Session of the Eightieth Congress in implementing the responsibilities of the "host" nation toward its guest, the United Nations. There was also begun a discussion of the humanitarian responsibilities of the United States and the part the First Session has played in their fulfilment. This second article, the final one in a series of two, continues the discussion of Congressional activity in the humanitarian field and concludes with a discussion of United States responsibilities within the framework of the United Nations over non-self-governing territories and territories placed under trusteeship.

Part II

III. "Humanitarian" Responsibilities of the United States—Continued

B. World Health Organization (WHO)

In December 1945 the United States Senate unanimously adopted a joint resolution urging the early establishment of an effective international health organization and requesting the President on behalf of the Government of the United States to urge upon the United Nations the prompt formation of such an organization. This resolution was a reaffirmation of the principle contained in a resolution unanimously approved by the United Nations Conference on International Organization at San Francisco, earlier that year, to the effect that only through the combined cooperative efforts of governments can vexing health problems, no respecters of boundaries, be efficiently coped with. This, however, was no new concept, for there exists a long history of intergovernmental cooperation in the interest of health, in which endeavor, indeed, the United States has consistently taken a prominent position. Although the United States was never a member of the League of Nations, it nevertheless cooperated with its health organization, the work of which has been considered one of the League's principal achievements. Further, this Government has been a member of the Pan American Sanitary Bureau since its inception in 1902 and of the International Office of Public Health since 1908.

But with the rapid advances in modern medical science, the development of modern communications and transport, and the appalling and worsen-

November 2, 1947
ing health conditions created by World War II, the need for international cooperative efforts has been considerably heightened. Accordingly, the United Nations in February 1946 appointed a Technical Preparatory Committee composed of health experts, entrusted with the task of preparing proposals for the consideration of an international health conference, which it had been decided should be convened. This Committee recognized that the existing health agencies were inadequate to meet the new conditions and recommended that the International Office of Public Health be absorbed into a new world health organization. This finding was accepted by the International Health Conference and subsequently was approved by the Economic and Social Council and the General Assembly of the United Nations.

In connection with the structure and status of the new health organization in relation to the United Nations, the Committee in its report to the Economic and Social Council outlined detailed proposals for a constitution, including its basic principles and the aims, functions, organs, and membership of the organization, and recommended that the organization be established as a specialized agency and that it be brought into close relationship with the United Nations. In its observations to the International Health Conference (which met in New York from June 19 to July 22, 1946, under the chairmanship of Dr. Thomas Parran, Surgeon General of the United States Public Health Service) on the report of the Committee, the Economic and Social Council approved this recommendation. The Conference on the last day of its meeting adopted four instruments: (1) a final act of the International Health Conference, a review of the work of the Conference; (2) constitution of the World Health Organization, signed by representatives of 61 states; (3) arrangement concluded by the governments represented at the International Health Conference establishing an Interim Commission, composed of 18 states, including the United States, elected by the Conference; and (4) protocol providing for the dissolution of the International Office of Public Health at Paris and for the transfer of its functions to the newly created World Health Organization.

Bearing in mind the accomplishments achieved by the Conference, it is small wonder that the President, in transmitting to the Eightieth Congress for its consideration a suggested joint resolution providing for United States membership and participation in WHO, stated that he was "... impressed by the spirit of international good will and community of purpose which have characterized the development of the constitution of this Organization." The report of the Secretary of State on this matter, enclosed with the President’s message, pointed out to the Congress the urgency and importance of international health problems and contained an analysis of the structure and functions of WHO. The more important protocol signed on behalf of 60 states at the International Health Conference was submitted to the Senate on Feb. 10, 1947 (S. Exec. D, 80th Cong., 1st sess.; see also 93 Cong. Rec., p. 951 (Feb. 10, 1947)). The Senate advised and consented to the ratification of the protocol on July 19, 1947 (93 Cong. Rec., pp. 9512–9513 (July 19, 1947)).

*A striking illustration of this intensified need for international cooperation in health is cited in H. Rept. 979, 80th Cong., 1st sess., p. 3 (1947): “As an illustration, a single case of smallpox was carried from Mexico to New York City in the spring of 1947 by bus. The dollar cost to New York City alone of the resulting epidemic threat was $6,800 in hospitalization and $461,000 for public vaccinations. The total number of vaccinations performed was about 6,350,000, which, at a cost of $1 each in lost time and other economic losses, represent a value of $6,350,000, or a total for New York City of about $6,800,000. This estimate of the cost takes no account of measures necessary at other points along the route of the bus. Nor does it include the expense of local, State, and Federal health authorities in tracing fellow passengers and other contacts made by the carrier.”

*BULLETIN of July 20, 1947, p. 132. Since the International Office of Public Health was established by treaty in Rome in 1907, to which the United States was one of the parties, a new agreement is needed to effect the absorption of the Office by the new health organization. A protocol signed on behalf of 60 states at the International Health Conference was submitted to the Senate on Feb. 10, 1947 (S. Exec. D, 80th Cong., 1st sess.; see also 93 Cong. Rec., p. 951 (Feb. 10, 1947)). The Senate advised and consented to the ratification of the protocol on July 19, 1947 (93 Cong. Rec., pp. 9512–9513 (July 19, 1947)).


*The Organization [United Nations] shall, where appropriate, initiate negotiations among the states concerned for the creation of any new specialized agencies required for the accomplishment of the purposes set forth in Article 55” (U.N. Charter, art. 59).

*BULLETIN of July 20, 1947, p. 132.

*S. Rept. 421, 80th Cong., 1st sess., p. 3 (1947) and S. Exec. D, 80th Cong., 1st sess.

*The President’s message is set forth in Hearings Before Subcommittee No. 5—National and International Movements—of the Committee on Foreign Affairs on H. J. Res. 161, 80th Cong., 1st sess., p. 2 (1947).

important of these functions, as set forth in its constitution, are: to direct and coordinate international health work; to collaborate with the United Nations and other interested governmental and professional organizations; to give technical assistance to governments in strengthening health services and in meeting emergencies; to promote research in the field of health; to promote, with other agencies when necessary, the eradication of epidemic, endemic, and other diseases, the prevention of accidents, the improvement of nutrition, housing, sanitation, recreation, economic conditions, and other activities in the field of mental hygiene and public-health work.

Pursuant to the President's message, S. J. Res. 98, a joint resolution "Providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor" was introduced in the Senate and referred to its Foreign Relations Committee. It was unanimously reported favorably to the Senate by the Committee on July 2, 1947, with one amendment designed to make certain that the obligations of the United States vis-à-vis WHO could not be drastically changed without the consent of the Congress. When this measure came to be considered on the floor of the Senate, July 3, 1947, Senator Vandenberg put the matter thus:

"We found that the constitution of the World Health Organization permits amendment of the constitution by two-thirds of the membership, regardless of where the votes may come from. In other words, we could have confronted an obligation under the charter of the World Health Organization, which could have been changed without our consent, under the terms of the constitution. Therefore, the committee has added an amendment which is a 90-day escape clause, and permits us to retire from the World Health Organization on 90 days' notice, whenever it is considered to be in the national interest."

There was general senatorial agreement on the legislation, except that Senator Donnell objected that the Senate had not had opportunity to study the constitution of WHO. However, when the Senate next took up the resolution on July 6, 1947, it passed on the following day, with virtually no debate, as amended by the Foreign Relations Committee, minus the clause, "in the absence of any provision in the World Health Organization constitution for withdrawal from the Organization", which had appeared in the Committee's report.

The companion measure, H. J. Res. 161, introduced in the House of Representatives by Dr. Walter H. Judd, was favorably reported to the House by its Committee on Foreign Affairs, July 17, 1947, but the House did not take up the measure. Certain amendments, however, were recommended, providing for a loyalty screening by the Federal Bureau of Investigation of United States Representatives to WHO and insuring that no citizen of, or resident in, the United States should participate in any session, conference, meeting, or other work of the Organization without the consent of the Secretary of State. Another amendment limits the authorization for appropriations to a sum not to exceed $1,920,000 for the fiscal year beginning July 1, 1947, for the payment of the United States share of the expenses of the Organization, including its Interim Commission, and to a sum not to exceed $83,000 (for the same fiscal year) to cover United States expenses incident to participation. The last amendment recommended by the House Committee is almost identical with the one proposed by the Senate Committee, except that the former

*The full text of the constitution may be found in S. Rept. 421, 80th Cong., 1st sess., pp. 8–18 (1947).

*This amendment (S. Rept. 421, 80th Cong., 1st sess., p. 7 (1947)) reads: "Section 4. In adopting this joint resolution the Congress does so with the understanding that, in the absence of any provision in the World Health Organization Constitution for withdrawal from the Organization, the United States reserves its right to withdraw from the Organization on a 90-day notice: Provided, however, That the financial obligations of the United States to the Organization shall be met in full for the Organization's current fiscal year." Governments, including that of the United States, are extremely wary of the possibility of being bound by international obligations to which they have not specifically consented. The Congress has attached reservations in accepting the constitution of FAO and UNESCO to safeguard this Government against amendments to the constitutions of those organizations imposing new obligations upon the United States without its consent.


* Ibid., p. 8448.

*93 Cong. Rec., p. 8493 (July 7, 1947).

contains a one-year escape clause instead of the 90-day provision.**

C. The International Children’s Emergency Fund

Article 55 of the United Nations Charter imposes upon the Organization an important obligation, in the following words:

With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

a. higher standards of living, full employment, and conditions of economic and social progress and development;

b. solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and

c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

One of these vital international health and social problems concerns the children of Europe and Asia. Millions of children in these areas are suffering from undernourishment, malnutrition, and disease as a result of destruction and dislocation wrought by World War II. The United Nations took a significant step forward in alleviating the suffering of these children when its Economic and Social Council in September 1946 unanimously passed a resolution recommending the creation by the General Assembly of an International Children’s Emergency Fund, subject to the control of the Economic and Social Council. The recommendation was further made that the Secretary-General of the United Nations prepare for the General Assembly, in consultation with the President of the Economic and Social Council, the Director General of the United Nations Relief and Rehabilitation Administration (UNRRA), and the Standing Committee of the latter, a draft resolution creating such a Fund.** When the

** See note 55, supra.

U.N. doc. E/235, Oct. 9, 1946. This action came about through consultation and cooperation with the UNRRA Council, which had, several weeks previously at its Geneva session, originated the proposal for the establishment of the Fund in view of the disastrous effect the impending liquidation of UNRRA was expected to have on child feeding, an important UNRRA activity. See John J. Charnow, “The International Children’s Emergency Fund”, BULLETIN of Mar. 16, 1947, p. 466.


Charnow, op. cit., p. 467.
priation, attests to this Government's willingness and readiness to take part in this worthy program of supplementary assistance since, obviously, the effective operation of the Fund is possible only through the financial resources placed at its disposal by voluntary agencies, private individuals, and, in the main, by governments. In this great humanitarian field, too, the First Session of the Eightieth Congress, in enacting Public Law 84, has demonstrated its ready support and has fulfilled, for its part, the hope expressed in the Assembly resolution that governments give the Fund their generous assistance. Section 1, Public Law 84, "Providing for relief assistance to the people of countries devastated by war", contains a provision that from the $350,000,000 authorized to be appropriated for relief assistance, "... the President shall make contributions to the International Children's Emergency Fund of the United Nations for the special care and feeding of children, and such contributions shall not be subject to the limitations and requirements provided in this joint resolution, but after $15,000,000 has been so contributed, no further contributions shall be made which would cause the aggregate amount so contributed by the United States (1) to constitute more than 57 per centum of the aggregate amount contributed to said fund by all governments not receiving assistance from said fund, including the United States; or (2) to exceed $40,000,000, whichever is the lesser." This is the response of a government which has consistently shown generous regard for the humanitarian needs of society—less than six months following the call of the General Assembly for governmental funds to assist the unfortunate children of the world.

IV. Responsibilities Over Non-Self-Governing Territories

Article 73 of the United Nations Charter provides, in part, that:

Members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government,... accept as a sacred trust the obligation to promote to the utmost... the well-being of the inhabitants of these territories, and to this end:... to promote constructive measures of development, to encourage research, and to cooperate with one another... with a view to the practical achievement of the social, economic, and scientific purposes set forth in this Article...

The Charter thus obligates members of the United Nations having responsibility for the administration of non-self-governing territories to cooperate with one another for social, economic, and scientific purposes.

A. Caribbean Commission

One of the regional agencies established to promote the cooperation envisaged in article 73 is the Caribbean Commission. The history of the Commission as an international consultative agency specifically designed to promote the economic and social advancement of the non-self-governing territories in the Caribbean region goes back to March 9, 1942, when the United States and the United Kingdom issued a joint communiqué establishing the Anglo-American Caribbean Commission. This was a temporary undertaking, so far as the United States Government was concerned, based upon the emergency created by World War II. In 1945 France and the Netherlands accepted invitations to participate in the Commission's activities. Establishment of the Caribbean Commission was formally provided for on October 30, 1946, by an agreement signed in Washington by Representatives of the United States, the United Kingdom, France, and the Netherlands.

The Fund has set a goal of $450,000,000. Of this amount, $400,000,000 will be needed for supplementary feeding of 700 calories a day to infants, children, and expectant and nursing mothers. The total cost for clothing, shoes and other items is estimated at $50,000,000. Chartrand, op. cit., p. 499.

* Public Law 84, 80th Cong., 1st sess. (May 31, 1947). This contribution to the Fund should not be confused with H.R. 1938, which would have authorized appropriation for contribution by the President to the Fund of money earned by conscientious objectors during the war (approximately $1,229,000 according to H. Rept. 692, 80th Cong., 1st sess. (1947)) and now in the miscellaneous receipts of the Treasury Department. H.R. 1938 passed the House July 7, 1947, but the Senate took no action on this measure or its companion bill (S. 1502).

* The United States and Non-Self-Governing Territories, Department of State publication 2812.

* For an excellent review of the background, formation, and activities of the Commission, see, in general, H. Rept. 956, 80th Cong., 1st sess. (1947).

* Ibid., p. 2.
The United States Representative signed the document "reserving the right to await Congressional consideration before giving notice of approval."

The specific scope of the Commission is suggested in the Caribbean agreement preamble as being that of "... promoting scientific, technological, and economic development in the Caribbean area and facilitating the use of resources and concerted treatment of mutual problems ...". Article IV of the agreement provides, in part, that the Commission shall concern itself with economic and social matters of common interest to the Caribbean area, particularly agriculture, communications, education, fisheries, health, housing, industry, labor, social welfare, and trade. Its terms of reference are thus restricted to economic and social matters. Further, it is a consultative and advisory, not an executive, body and will in no way affect existing or future constitutional relations and responsibilities of any member government and its territories. The principal function of the Commission, whether acting directly or through its auxiliary bodies, is to assist both the metropolitan countries and the territorial governments in the study of problems which require regional treatment for their efficient solution.

Although the Commission is not presently related to the United Nations, it is clear that its objectives are in full accord with the Charter of the United Nations. Apart, however, from the cooperation with the United Nations which partici-

"The full text of the agreement is contained in Department of State publication 2812, pp. 64–71.

* Ibid., p. 65.

"Art. XVIII of the agreement provides:

"1. The Commission and its auxiliary bodies, while having no present connection with the United Nations, shall cooperate as fully as possible with the United Nations and with appropriate specialized agencies on matters of mutual concern within the terms of reference of the Commission.

"2. The Member Governments undertake to consult with the United Nations and the appropriate specialized agencies, at such times and in such manner as may be considered desirable, with a view to defining the relationship which shall exist and to ensuring effective cooperation between the Commission and its auxiliary bodies and the appropriate organs of the United Nations and specialized agencies, dealing with economic and social matters." (Italics supplied by the author.) Ibid., p. 70.

* The United States responsibilities are concerned with Puerto Rico and the Virgin Islands; the British Government principally with respect to the Barbados, Trinidad, the Windward and Leeward Islands, and Jamaica; the French Government principally with respect to Martinique and Guadeloupe; and the Netherlands Government principally with respect to Surinam, Curaçao, and other small islands adjoining Martinique. (H. Rept. 956, 80th Cong., 1st sess., pp. 4–5 (1947).)

"The preambles read, in part: "Whereas the purpose of the Caribbean Commission is to encourage and strengthen international cooperation in promoting the economic and social welfare and advancement of the non-self-governing territories in the Carribbean area, whose economic and social development is of vital interest to the security of the United States, in accordance with the principles set forth in chapter XI of the Charter of the United Nations ..." (Italics supplied by the author.)

penses.\textsuperscript{18} Here H. J. Res. 231 lies, but in view of the Senate Committee's observations that the organization contemplated in the resolution is relatively small and unpretentious, that the cost to the United States will be slight, and that the advantages which flow from membership in the Commission to both the United States and the peoples of the area involved are significant,\textsuperscript{19} it is hoped that the Second Session of the Eightieth Congress will not fail to complete successfully the action initiated by the First Session.\textsuperscript{20}

**B. South Pacific Commission**

The South Pacific Commission is the second of the two intergovernmental regional agencies to promote the economic and social advancement of non-self-governing territories which the First Session of the Eightieth Congress had for its consideration. Experience gained from the functioning of the Caribbean Commission provided a working basis for the creation of this new agency, since four of the six governments at the South Seas Conference, which on February 6, 1947, at Canberra, Australia, provided for establishment of the Commission, were already "members" of the Caribbean Commission. The Governments of Australia and New Zealand were the Governments added to those which had created the Caribbean Commission, in view of the special interest of these two Governments in the South Pacific area.

The background of the formation of the South Pacific Commission and an analysis of the agreement establishing that agency have been fully described elsewhere.\textsuperscript{21} For our purposes here, it will suffice to point out that the agreement was signed \textit{ad referendum} by the United States; the agency is designed as a consultative and advisory body, like the Caribbean Commission, to the participating governments; and, although it is not given the power to concern itself with political matters or questions of defense or security, it will indirectly contribute to the political stability and therefore the security of approximately 2 million inhabitants of the 15 non-self-governing territories in the South Pacific region, through the promotion of their economic and social advancement.\textsuperscript{22}

H. J. Res. 232, "Providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor", similar to the Caribbean Commission measure,\textsuperscript{23} was favorably reported by the House Committee on Foreign Affairs July 16, 1947, and passed the House July 21, 1947. This resolution passed the Senate in the closing hours of the First Session, but because of an amendment similar to that proposed on the Caribbean Commission must be sent back to the House for concurrence. This ready response during the First Session is undoubtedly due, in large measure, to the demonstrated strategic importance of the area in World War II and its possible strategic importance in the future.\textsuperscript{24} Enactment of H. J. Res. 232 into law during the Second Session seems likely.

**V. The United States and Trusteeship Responsibilities**

Article 75 of the United Nations Charter provides for an international trusteeship system (1947). The United States is responsible for the administration of American Samoa, acquired by the treaty of Dec. 2, 1899, with Germany and Great Britain, and for a number of small, uninhabited islands in the area.\textsuperscript{25} H. J. Res. 232 contains an additional section, sec. 4, authorizing the Secretary of State to detail qualified U.S. governmental employees to the South Pacific Commission. This section serves to implement a resolution of the South Seas Conference, "That with a view to facilitating the work of the proposed South Pacific Commission, the South Seas Conference urges the participating Governments to permit officers in their own services to be made available to the staff of the Commission on secondment or loan." South Seas Commission Conference Papers, doc. P/19, Feb. 6, 1947, pp. 1–2. There is, in addition, a difference in the amounts authorized to be contributed: $142,000 for the Caribbean and $20,000 for the South Pacific Commission.\textsuperscript{26}
for the administration of such territories as may be placed thereunder by subsequent individual agreements. Article 76 of the Charter states that the basic objectives of the trusteeship system shall be: (1) the furtherance of international peace and security; (2) the promotion of the political, economic, social, and educational advancement of the inhabitants of the trust territories and their progressive development toward self-government or independence; (3) the encouragement of respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion; and (4) the ensuring of equal treatment in social, economic, and commercial matters for all members of the United Nations and equal treatment for the latter in the administration of justice. The Charter further provides that the trusteeship system should apply to such territories in the following three categories as might be placed thereunder by means of trusteeship agreements: (a) territories now held under mandate; (b) territories which may be detached from enemy states as a result of World War II; and (c) territories voluntarily placed under the system by states responsible for their administration.88

On February 9, 1946, the General Assembly adopted a resolution which included an invitation to states administering mandated territories to undertake practical steps, together with the other states directly concerned, for the negotiation of trusteeship agreements.89 In response to this call and marking a distinct development in the operation of the international trusteeship system, the President on November 6, 1946, announced that the United States was prepared, as administering authority, to place under trusteeship the former Japanese Mandated Islands and any Japanese islands for which it assumes responsibility as the result of World War II, consisting of the Marianas (except the United States possession of Guam), Caroline, and Marshall Islands in the Central Pacific.90 Three months later, on February 17, 1947, the text of a draft trusteeship agreement providing for the welfare of the native population of these islands, for the security interests of the United States, and for the obligations of this Government as administering authority under the Charter was submitted to the Secretary-General of the United Nations and formally presented to the Security Council on February 26, 1947, by Ambassador Austin, United States Representative to the United Nations.88 By unanimous vote on April 2, 1947, the Security Council approved, with three minor changes which had been accepted by the United States Representative upon instructions from the United States Government, the text of the draft agreement which had been submitted in accordance with articles 82 and 83 of the United Nations Charter.89

Article 16 of the draft agreement defines the steps necessary for the agreement to come into force, under the Charter of the United Nations and the Constitution of the United States.90 Pursuant to this article, the President on July 3, 1947, recommended to the Eightieth Congress, First Session, that it pass legislation in the form of a

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88 U.N. Charter, art. 77, par. 1.
89 The United States and the United Nations, Department of State publication 2484, p. 43.
90 The Cairo declaration of Dec. 1, 1943, stated that, "...Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the First World War in 1914, and that all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China. Japan will also be expelled from all other territories which she has taken by violence and greed." This declaration was reaffirmed by the proclamation issued by the heads of the Governments of the United States, China, and the United Kingdom on July 26, 1945, at Potsdam, and subsequently adhered to by the Union of Soviet Socialist Republics. Japan accepted these terms by the instrument of surrender on Sept. 2, 1945. (S. Rept. 471, 80th Cong., 1st sess., p. 2 (1947).) See also Bulletin of Sept. 9, 1945, p. 364.

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joint resolution authorizing the President to approve the trusteeship agreement for the former Japanese Mandated Islands (to be known as the “Territory of the Pacific Islands”). The President pointed out that the terms of the agreement conform with the policy of the United States and with its obligations under the United Nations Charter and that its terms amply provide for the political, economic, social, and educational development of the inhabitants of the trust territory, and at the same time protect the security interests of the United States. The Congress was quick to grasp the importance and significance of the trusteeship agreement. On July 14, 1947, the Senate completed the action initiated by the House of Representatives, in passing H. J. Res. 233, a joint resolution “Authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands”, which became law four days later.

VI. Conclusion

One cannot help but sense the importance of the wide range of activities engaged in by the First Session of the Eightieth Congress with regard to the United Nations. However, it has not been our intent to dwell upon the host of refined international legal points which suggest themselves, upon an examination of the legislative material relating to those activities. What is intended here is to summarize in convenient form those activities of the First Session of the Eightieth Congress which best illustrate the support rendered by the national legislative body of the United States in shaping a better world for everyone, everywhere through the United Nations.

* Ibid., p. 3.
* See remarks of Congressman Fulton in 93 Cong. Rec., pp. 8905–8907 (July 11, 1947) and the statement of Senator Vandenberg, ibid., p. 9027 (July 14, 1947).
* Public Law 204, 80th Cong., 1st sess. (July 18, 1947).
* Not all of the activities have been described in this article. Other activities include the following measures, which have not received final Congressional action during the First Session: (1) convention on privileges and immunities of the United Nations (S. J. Res. 136), which passed the Senate July 17, 1947, and was referred to the House Committee on Foreign Affairs, July 18, 1947 (see S. Rept. 539, 80th Cong., 1st sess. (1947)); (2) International Labor Organization constitution: instrument of amendment (S. J. Res. 117) which passed the Senate June 2, 1947, and was reported, with amendment, to the House on July 24 by the Foreign Affairs Committee (see S. Rept. 208 and H. Rept. 1057, 80th Cong., 1st sess. (1947)); (3) International Labor Organization: final articles revision convention, 1946 (no. 80)—the Senate received communication from the President on June 24, 1947, but has taken no action; (4) International Labor Organization: nine conventions formulated at Seattle, 1946—the Senate received communication from the President on June 23, 1947, but has taken no action; (5) protocol amending the convention on international civil aviation—the Senate received a message from the President transmitting the protocol and a report from the Secretary of State, July 11, 1947—referred to the Foreign Relations Committee; and (6) several Congressional resolutions, sponsored by various members of the Senate and House, which urge an immediate revision of the United Nations Charter (see S. Con. Res. 23, favoring the strengthening of the United Nations as a means of preventing war and maintaining world peace; S. Con. Res. 24, relative to the President’s calling a general conference of the United Nations, with a view to strengthening such organization to prevent war; and H. Con. Res. 59–68, to call a conference for the revision and strengthening of the United Nations Charter). For the convenience of BULLETIN readers, a complete list of legislative matters touching on the foreign relations of the United States generally is set forth in the BULLETIN of Sept. 28, 1947, p. 651.
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Special Session of Congress Called To Meet Crisis in Western Europe

STATEMENT BY THE PRESIDENT

[Released to the press by the White House October 23]

I have met this afternoon with a group of Congressional leaders. I presented to them detailed information concerning the alarming and continuing increase in prices in this country and the situation regarding the need for emergency foreign aid. I informed them that I had concluded it was necessary to convene the Congress on Monday, November 17th.

By that date the members of Congress who are now abroad obtaining first-hand information will have returned to the United States.

There are two compelling reasons for convening the Congress at an early date.

It is urgently necessary for the Congress to take legislative action designed to put an end to the continued rise in prices, which is causing hardship to millions of American families and endangering the prosperity and welfare of the entire Nation. When the Congress meets, I shall recommend to it suitable measures for dealing with inflation, high prices, and the high cost of living.

It is also necessary for this Government to take adequate steps to meet the crisis in western Europe, where certain countries have exhausted their financial resources and are unable to purchase the food and fuel which are essential if their people are to survive the coming winter.

It now appears that the minimum needs of France can be met with present funds only until about the end of December and that it will enter the new year without funds to pay for essential imports. Italy’s needs are even more immediate, for Italy will require substantial assistance before the end of this year. Moreover, it appears that additional funds will be needed to maintain our position in occupied areas. It is clear, therefore, that Congressional action cannot be delayed until January.

The convening of the Congress in November will also furnish an opportunity for it to speed up its consideration of the part to be played by the United States in the long-range European recovery program.

I have just signed a proclamation convening the Congress at twelve o’clock noon on Monday, November 17, 1947.

Tomorrow evening, at ten o’clock, over all the networks, I shall make a radio address to the American people describing the present situation in detail and explaining why action by the Congress is necessary prior to the regularly scheduled session in January.

PROCLAMATION 2751

WHEREAS the public interest requires that the Congress of the United States should be convened at twelve o’clock, noon, on Monday, the Seventeenth day of November, 1947, to receive such communication as may be made by the Executive;

NOW therefore, I, Harry S. Truman, President of the United States of America, do hereby proclaim and declare that an extraordinary occasion requires the Congress of the United States to convene at the Capitol in the City of Washington on Monday, the Seventeenth day of November, 1947,
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at twelve o'clock, noon, of which all persons who shall at that time be entitled to act as members thereof are hereby required to take notice.

In witness whereof, I have hereunto set my hand and caused to be affixed the great seal of the United States.

Done at the City of Washington this twenty-third day of October, in the year of our Lord nineteen hundred and forty-seven, and of the Independence of the United States of America the one hundred and seventy-second.

By the President:
Robert A. Lovett
Acting Secretary of State

"A PERIOD OF CRISIS IS NOW AT HAND"

Address by the President¹

My Fellow Countrymen: I have called the Congress to meet on November 17 to consider the problems of high prices at home and emergency aid abroad. These are questions of vital importance to all of us. I want to talk to you frankly tonight about both of these problems.

Since V-J Day we have moved steadfastly toward two goals. We have sought peace and prosperity—prosperity for all our people, peace for all the world.

As we measure our progress toward these goals and chart the course ahead, we find that recent events have raised new and dangerous obstacles in our path. Our domestic prosperity is endangered by the threat of inflation. The peace of the world is endangered by hunger and cold in other lands.

These obstacles must be overcome by prompt and courageous action. Legislation by the Congress is essential. The need is too pressing—the results of delay too grave—for congressional action to wait until the next regular session in January.

Let me speak first about our domestic prosperity.

In many ways we are now more prosperous than we have ever been. More workers have jobs—and at better wages—than at any time in the past. Farmers are receiving a greater share of our national income than they have in many years. Manufacturers and retailers are enjoying record business and record earnings. We are producing more goods for civilian use than ever before in history.

But these signs of prosperity do not tell the whole story. Although production is high, prices are shooting up. Although nearly everyone is employed, many people cannot afford essential items. Although national income has reached a new high, the buying power of many people is shrinking.

A few figures—and they are startling figures—show how the cost of living is going up.

Since the middle of 1946 this is what has happened: clothing prices have gone up 18 percent; household furnishings have gone up 18 percent; food has gone up 40 percent. The average for all items is up 23 percent.

And the cost of living is still climbing. In the last three months it has climbed at a rate of over 16 percent a year.

Wholesale prices are also increasing. Since the middle of 1946 textiles have gone up 30 percent; metals up 35 percent, and building materials, up 41 percent. These increases in wholesale prices affect every industry and trade, and they will eventually be reflected in retail prices.

For some of our people the increased cost of living has been offset by increased incomes; but

¹Broadcast over all major networks on Oct. 24, 1947, and released to the press by the White House on the same date.
for most of our people increases in income are falling behind increases in the cost of living.

Millions of families of low or moderate income are already victims of inflation. These families are using up savings. They are mortgaging their future by going into debt. They are doing without things they should have.

I know the worries of the breadwinner whose earnings cannot keep up with the high cost of living. I know of the difficulties of the housewife who tries to stretch the family income to pay for groceries and clothes and rent. I know how hard it is to skimp, and save, and do without.

When so many people are not sharing fairly in prosperity, the road is being paved for a recession or a depression.

None of us can afford to overlook this danger. Farmers will remember how they suffered after 1920, because price inflation was followed by a collapse. Businessmen and bankers will recall how they suffered after 1929, because wild speculation was followed by the depression. Even those who are prosperous today are prospective victims of inflation tomorrow.

Inflation must be stopped before it is too late.

It is within our power to stop it. Our economy is basically sound. It has been immensely strengthened in recent years. The average buying power of our people today is 40 percent higher than it was in 1929. But we are losing some of this gain as rising prices pull away from incomes. We can prevent further loss and can even go on to new gains, if we use our economic strength wisely.

The major cause of high prices in this country is the great demand among our own people for available goods. An attempt has been made to place the blame upon our foreign-aid program, but this is not borne out by the facts. During the war we learned that we could improve our standard of living with less than 60 percent of our output available for civilian use. At present, even with current exports to all countries, a far greater percent of our production is available for civilian use.

With sound policies, we can protect our own standard of living and carry on a substantial foreign-aid program at the same time.

We now have—and will continue to have—enough food and clothing and other goods in the United States to meet our needs. But excessively high prices mean that these goods are not being distributed wisely and fairly. High prices ration the essentials of life by squeezing out the less fortunate of our citizens. We can meet this problem only by bringing prices into line with the incomes of our people.

In our free-enterprise system, we place major reliance upon voluntary action by businessmen, farmers, workers, and consumers. That is why I have repeatedly urged voluntary price reductions.

But the responsibility of Government extends beyond aiding voluntary action. The Government must respond to the needs of the people.

The American people now have a compelling need for protection from the dangers of price inflation and the rising cost of living. They recognize this need and are asking for the protection to which they are entitled. The Government must assume a larger share of the responsibility for putting an end to excessive prices and the hardships and dangers which accompany them. For this purpose prompt enactment by the Congress of comprehensive legislation is necessary.

This, then, is one reason why I am calling the Congress into session on November 17. When it meets I shall recommend a program for dealing with inflation, high prices, and the high cost of living. Adequate measures, enacted in time, are necessary to correct the present situation.

Let me turn now to the other reason for calling the Congress into session. This is the problem of hunger and cold and human suffering abroad. It is the problem of men and women and children who look to us for help at this crucial time.

We are following a definite and clear foreign policy. That policy has been, is now, and shall be to assist free men and free nations to recover from the devastation of war, to stand on their own feet, to help one another, and to contribute their full share to a stable and lasting peace. We follow that policy for the purpose of securing the peace and well-being of the world. It is nonsense to say that we seek dominance over any other nation. We believe in freedom, and we are doing all we can to support free men and free governments throughout the world.

In furtherance of this foreign policy, we now have under consideration the part which the United States should play in aiding a long-range
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recovery program for western Europe. This plan presents great hope for economic security and peace in that vital part of the world. It will take some time to complete the consideration of this plan and to make all the important decisions required for putting it into effect.

However, a period of crisis is now at hand. The perils of hunger and cold in Europe make this winter a decisive time in history. All the progress of reconstruction and all the promise of future plans are endangered. If European nations are to continue their recovery, they must get through this winter without being crippled by economic paralysis and resulting chaos.

In advance of our decision on the long-range European recovery plan, we must help some nations through this immediate crisis. The most imminent danger exists in France and in Italy. If the economies of these countries collapse and the people succumb to totalitarian pressures, there will be no opportunity for them or for us to look forward to their recovery so essential to world peace.

Their first need is food. Exceedingly bad weather this year has caused the worst crops in western Europe in a generation. Crop failures in France—the worst in 100 years—and in Italy make it necessary for those countries to import half the grain they need to live on during the coming months.

The other major shortage is fuel. Fuel supplies were depleted by last year's severe winter. War damage to railroads and the reduced efficiency of miners laboring on an inadequate diet have prevented the rebuilding of fuel stocks.

The financial reserves of France and Italy have been nearly exhausted by the cost of their imports since the end of the war. Rising prices in the United States and in other countries where they must buy have further reduced the purchasing power of their remaining funds. They now face the coming winter without sufficient resources to pay for essential food and fuel.

The figures tell the story.

France can meet her minimum needs, with present funds, until the end of December, but she will enter the new year without funds to pay for essential imports. The French will need 357 million dollars to carry them until March 31, 1948.

Italy will not be able even to get through the rest of this year. Italy must have 142 million dollars to carry her until December 31 and an additional sum of 143 million to get through the first quarter of 1948.

Serious difficulties have also been encountered in the occupied areas—Germany, Japan, and Korea. Additional funds will have to be appropriated this year in order for us to maintain our position in these areas.

It can readily be seen that congressional action to meet these needs cannot be delayed until January.

My action in convening the Congress on November 17 in no way reduces the necessity for pressing forward with our voluntary food-saving program. Dollars appropriated by the Congress cannot feed hungry people if there is no food for the dollars to buy. There will not be enough food unless we—the people of the United States—save vast quantities of grain. I am deeply gratified at the splendid response of the American people to our national food-saving program. It is an earnest effort to meet the needs of humanity.

Even with the proposed aid from this country, the people of Europe this winter will be on short rations. They will be cold, and they will be without many necessities. But our emergency aid will be definite assurance of the continuing support of this nation for the free peoples of Europe.

The two problems I have been discussing with you tonight—high prices at home and hunger and cold abroad—present a challenge to the American people.

We could choose the course of inaction. We could wait until depression caught up with us, until our living standards sank, and our people tramped the streets looking for jobs. Other democratic nations would lose hope and become easy victims of totalitarian aggression. That would be the course of defeatism and cowardice.

Our other course is to take timely and forthright action. If we do this, we can halt the spiral of inflation at home, relieve hunger and cold abroad, and help our friendly neighbors become self-supporting once again.

I know that it is the heartfelt wish of the American people that action be taken which will overcome the obstacles to peace and prosperity confronting this nation.

It is within our power to lead the world to peace and plenty.

With resolution and united effort we shall achieve our goal.

November 2, 1947
The Problem of the Reconstruction of Europe

REMARKS BY THE SECRETARY OF STATE ¹

The discussion this evening is directed to the problem of the reconstruction of Europe. For many months both the Government and the people of the United States have been considering the growing dangers of the economic situation in Europe and our relation to the problem. That Europe's need of assistance is real and urgent, I believe is no longer a matter of argument. And it is likewise evident that the United States of America in the present state of the world represents the primary source from which this need can be met.

I have endeavored on a number of occasions to make clear why in the view of this Government it is in the basic interest of the United States to do what it can within reason to meet these needs. I am sure that you all understand the vital importance to us of the preservation of European civilization. We cannot stand indifferent to the fate of the nations who are having great difficulty in recovering from the consequences of the war and are looking to us for assistance. These are people who hold the same views of international conduct as we do. If we are to be successful in our quest for peace in a decent world, we will be constantly in need of their strong cooperation.

"When I made a public statement at Harvard on June 5 last," to quote from a more recent statement of mine, "it was plainly evident that a situation had developed where we must immediately choose between two lines of action—either to concern ourselves solely with our own internal affairs despite our heavy commitments in Germany, Austria, and Italy, while Europe suffered a complete political and economic demoralization; or we must take action to assist Europe in avoiding a disastrous disintegration with tragic consequences for the world. Therefore, the suggestion was made that the European countries, under the pressure of the dilemma which faced them, should join together in working out a mutual basis of cooperation for their own rehabilitation and should determine, on a businesslike basis, the degree and character of the outside assistance they calculated would be urgently needed over and above what was humanly possible for them to accomplish for themselves."

Our Government has realized from the first the magnitude of this problem and the numerous pitfalls that lie in the way of its solution. Despite the urgency of the situation, sufficient time had to be allowed for the collection of all pertinent facts and opinions and a thorough study of all the elements, both foreign and domestic, which enter into the problem. We have the preliminary report of the 16 nations who met in Paris this summer. We are beginning to receive reports from the various governmental groups who have been examining into our own resources and their relationship to possible demands of the European situation. Commissions of Congress who have traveled extensively throughout Europe are returning to this country, and the results of their investigations are becoming available.

I think it is important that you should understand something of the procedure which is now being followed by your Government in arriving at a conclusion and preparing a program for presentation to the committees of Congress and later to the Congress itself. At the present time, in fact every day of the week, including Saturdays and Sundays, a large portion of the personnel of the State Department and representative groups of other interested departments and agencies, such as the Treasury Department, the Departments of Commerce and Interior, the Departments of Agriculture and Labor, for example, are engaged in daily sessions working together on data which I have described, to determine exactly what should be the program of this Government.

I do not believe any project of our Government has ever received more careful study and prepara-

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There has been constant reference to a Marshall plan. The reference to me personally was unfortunate, but the reference to a plan was definitely misleading. There was no plan. There was a suggestion. Now we are in the process of drafting a plan as a proposal to the Congress of the United States. That is the situation at the moment.

The period of study and preparation is thus drawing to a close. The time of action is at hand.

European Recovery—A Project for America

BY ASSISTANT SECRETARY THORP

Never before have so many Americans asked so many questions about the facts of international life. This is a normal reaction of intelligent human beings to the gravity and complexity of the world economic situation and the rapidity with which various aspects of it are changing. It reflects the position of tremendous responsibility into which events have thrown the American people. We know that action or inaction on our part will have repercussions on the lives and welfare of millions of people beyond our own borders, not to mention our own security and well-being.

Right now most of the questions concern the condition of Europe and especially the food crisis. People everywhere are asking why the countries of Europe are suddenly faced with a major food shortage more than two years after the war ended. Has not the United States generously appropriated billions for relief? Are conditions growing worse, in spite of the aid we have furnished? Could we not foresee and plan for this eventuality?

As a matter of fact, I doubt if there ever was a time when advance planning for the world was done on as grand a scale as that by the American Government for the international problems of the postwar world. Advance planning in the political field has given us the United Nations, and man's best hope up to now for lasting peace. The United Nations is now a going concern. It is solving problems day by day, although some with which it is faced are about as difficult as any which can be conceived. The early years of the United States Congress were not all quiet and placid. The United States can take great pride for leading the way to the establishment of the United Nations.

We must now follow through in the more difficult task of strengthening this international body and making it more effective.

In the economic field there was also a plan fashioned to meet the difficult problems of the postwar period. During the war the concept of lend-lease had been established, thus doing away with one of the future obstacles to postwar recovery by obviating the necessity for huge payment transfers from our allies—payments which they were clearly unable to make, and we were not eager to receive.

Postwar economic planning also embraced the establishment of four important international institutions, two of which were designed to assist economic recovery and two to provide the basis for a more abundant life in years ahead. The first institution was UNRRA, established to provide relief on a nonreimbursable basis to peoples who could not produce the bare necessities of life and did not have the means to purchase them abroad. Its primary objective was to sustain life, and the chief element of its program was food. The second institution—the International Bank for Reconstruction and Development—was planned to provide credits to repair the extraordinary damage wrought by total war and to support the development of those areas whose living standards were abysmally low. These two organizations, UNRRA

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and the Bank, thus were designed to deal with the financial needs of the war-devastated countries during the early postwar period—the first meeting the relief needs in insolvent countries and the second providing credits which might be transformed into the physical capital needed to recover from the devastation of global war and to encourage economic progress in underdeveloped areas.

The two other institutions included in postwar economic blueprints—the International Monetary Fund and the International Trade Organization—represented long-term planning to assure a living and expanding pattern for the postwar world. The first was to offer some assurance that currencies would be convertible and to provide a means of stabilization which would reduce the monetary hazard in the exchange of goods between countries. The second was to deal with the problem of reducing artificial barriers to trade and eliminating trade discriminations.

These institutions were planned to provide the framework within which it was hoped that a better world would be built. They were the product of bold planning. Their creation established international responsibilities where they have never existed before. As in the case of any planning, certain assumptions had to be made, and some of these have not proved to be entirely correct. For one thing, the plan presupposed a degree of cooperation among the Great Powers which to date has been tragically absent. Secondly, there was a serious underestimation of the extent of wartime damage, the exhaustion of the people, and of the scope and complexity of the task of rebuilding entire economies whose very fabrics were destroyed.

In addition, recovery in Europe has been impeded further by certain other unpredictable factors which have placed large segments of the population in a more critical position today than at any time since the fighting stopped. Chief among these is the fact that we did not provide a sufficient margin of safety to absorb the effects of unforeseen disasters. Two crop failures in succession have left Europe at a level of subsistence which has not only slowed down the recovery process but which threatens whole countries with collapse.

Why does western Europe need grain so badly—now—two years after the war? The factors which brought about this grim food situation in Europe are those which, I am sure, will be readily understood by you Midwesterners who live in the greatest food-producing area on earth.

Trained observers of the Department of Agriculture have assessed the situation and reported the reasons in minute detail. In the main, the cause for the immediate situation is unusually bad weather conditions—cold of almost unprecedented intensity last winter that froze seed in the ground, spring floods that washed out crops and topsoil, followed by summer droughts that seared the already meager crops. The disastrous freeze in France, for example, resulted in a 1947 wheat crop that was the worst since they have been keeping records.

Secretary of Agriculture Clinton P. Anderson, who visited Europe this past summer and saw where thousands of tons of precious wheat had been lost, concludes that “western Europe has had a combination of bad circumstances almost without parallel in farming history. Farmers have struggled against too much water in planting season and too little when the grain was coming into maturity. These failures were within a pattern already made dark by lack of seed, fertilizer, and machinery—disaster piled upon earlier disappointment.” It is estimated that the reduced production in Europe will mean that European food imports will have to be increased by the equivalent of 250 million bushels of grain, even to maintain the low consumption levels of 1946–1947.

However, these factors, serious as they are, only overlie long-term conditions inherently weak. Western and southern European countries have never produced enough food to maintain, without imports, what Americans consider a tolerable diet. Before the war, western Europe imported about half its bread grains and a very large proportion of its feed grains from eastern Europe, including eastern Germany. This intra-European trade has not existed to any considerable extent during the last few years. The reasons for this are that crops have also been poor in eastern Europe, and military devastation and political uncertainty have been great. Add to these difficulties the decreased emphasis on large-scale production of grain which results from land-tenure reform plans, the lack of fertilizer, and the support of occupying armies. This means but one thing for western Europe—

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increased reliance on the non-European world.

World food production for the current year will be slightly below last year, a year which only equaled prewar levels. At the same time there has been a substantial gain in total population. In a few countries, including the United States, food consumption is above prewar. In many other countries there is a per capita dietary reduction ranging as high as 35 percent of prewar.

Spelled out in energy units, the diet of the average nonfarm individual in France contains about 2,200 calories a day—about one fourth less than his prewar intake. In Greece the figure is 2,100; while in Italy, Germany, and Austria the diet of the city dweller may fall to less than 1,950 calories a day—more than one third less than the average American eats today. And it must be remembered that the calorie is only a measure of heat energy that food contains; it tells nothing about balancing proteins, carbohydrates, or fats, nothing about vitamins, and, of course, nothing about palatability. It is clear that the European countries must have as their first requirement the elimination of their basic caloric deficiencies in order that workers will have the incentive and strength to produce the coal and other industrial requisites so essential to a broad recovery movement.

Wheat is the most important food in foreign trade because it is the cheapest source of calories in terms of volume and of cost. Luckily, we have had large wheat crops in this country for the last six years, due in part to unusually favorable weather. The 1947 wheat crop in the United States will exceed the highest previous record by more than 200 million bushels. However, bad weather conditions have resulted in a short corn crop here so that our export of corn and other coarse grains will be greatly reduced, and relatively large amounts of domestic wheat are being fed to livestock instead of corn. Exports to Europe from other sources are expected to be somewhat larger than last year but not enough to offset the failure in European production. Larger American exports of wheat this year are therefore a necessary part of recovery in Europe. As you all know, various voluntary and cooperative measures are being taken to increase the availability of wheat for export. This is very serious business, for wheat is a key item in any foreign aid program.

No blueprint for the reconstruction of Europe's industrial plant is worth the paper it's printed on unless the people who work on it are nourished. The human effort required to achieve increased production cannot come from people who are underfed; interest in upholding the democratic way of life cannot spring from despairing souls who want for bread. The situation, then, demands the well-considered generosity and thoughtful sacrifice of every American, unless we are to lose all for which we have fought and worked during these critical years. As Secretary of State Marshall pointed out recently: "The connection between the individual American and world affairs is unmistakably clear—our foreign policy has entered the American home and taken a seat at the family table."

Aside from the fact that at present there is barely enough food produced in the world to go around even if it is carefully conserved and equitably distributed, the blunt fact is that the areas where the shortage is most acute are likewise the areas least able to pay for imports of food. This situation is what is commonly referred to as the dollar shortage. In some countries—Italy and France, for example—it actually amounts to a dollar famine. Fundamentally, it stems from an impoverished productive machine and depleted financial reserves. It is brought on when a country is forced to buy from abroad more than it can sell abroad in order to live.

That is exactly what has taken place in the countries of western Europe. Total war left the physical resources of these countries in virtual ruin—industrial plants destroyed, transportation facilities wrecked, mines closed, agricultural lands despoiled. Not only were the essentials to production destroyed or seriously damaged, but the normal ways of doing business were disrupted. Trade, both in and between countries, was limited. Whole economies were dislocated to the extent that they were forced to depend on outside help for the irreducible minimum necessary to sustain life.

And all the while, United States productive capacity, not only undamaged but in numerous cases expanded by war, has been turning out goods and services at the record-breaking rate of about 200 billion dollars annually to fill our backlog of needs as well as the requirements from abroad. This very disparity between production in the United States and production in other parts of

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the world has contributed to the disappearance of dollars in foreign hands. In those countries which have tried to maintain free channels of trade, consumers have turned to American goods to supply their wants, and the result has been a marked reduction in dollar reserves. This, in turn, has made necessary restrictions against imports from the United States. The relationship is now very clear between the supply of dollars in foreign hands and the volume of American goods which they can buy.

This year it is estimated that we will ship some 15 billion dollars of goods and services abroad. At the same time we will have imported a total of little more than 5 billion dollars worth of goods—a record high but a figure only a little more than one third the value of our exports. This year's difference is being financed by loans and grants of various kinds, relief appropriations, and World Bank loans, and out of the small reserves of gold and foreign exchange still held by some foreign countries. Now, these grants and credits, which can be used for American products only if they consist of or are convertible into dollars, are almost exhausted.

This does not mean that our aid and assistance has gone down the rathole. In the first place, millions of persons are alive today who would have been dead or diseased without food from this country. In the second place, much reconstruction has been done—railroads are operating, ports are cleared for traffic, roads are repaired, and factories are ready for operation through reconstruction made possible by American supplies and equipment. Finally, the necessary raw materials like coal, cotton, and copper, which used to be purchased with exports, have been made available to permit their factories to operate. All these have made progress possible, and many nations are now back to industrial production levels in the neighborhood of 90 to 100 percent of 1938. However, much of this production itself has gone into reconstruction, and exports have not increased sufficiently to make any appreciable dent in the trade deficit. And the appropriations which have been made by the Congress are running out.

During the spring it became increasingly apparent that more assistance would be required from the United States. Country after country was indicating in conversations in Washington that its efforts to achieve recovery were still dependent upon American assistance. This had been evident for some time, and we added item after item to our program of postwar assistance. However, this kind of piecemeal approach became less and less satisfactory, both to those responsible for our foreign policy and those concerned with Government expenditures.

Furthermore, it became increasingly apparent that the problems could not be evaluated in terms of individual countries. Each country found it difficult to plan ahead in the absence of knowledge about the plans and probable course of other countries with which it had important trade and financial relations. The bottlenecks limiting a country's progress have not always been within its own borders.

On June 5 in a speech at Harvard University, Secretary Marshall stated that before the United States could proceed much further in its efforts to facilitate European recovery, the countries involved should agree on the requirements of the situation and what they themselves could do through a joint effort, in order that the United States could feel assured that assistance which it might give would be effective.

This suggestion met with a ready and vigorous response. In fact, the Committee of European Economic Co-operation, representing 16 nations, which met at Paris in response to the suggestion of Secretary Marshall, has now made its first report. After more than two months of study, analyzing European resources and requirements, the Committee has developed a coordinated program to achieve recovery and free western Europe of dependence on outside help. Its report contains striking evidence of the sincerity of these nations in attempting to increase production and overcome the bottlenecks which have plagued their recovery thus far.

The recovery program is designed to achieve certain specific goals which will result in a self-sustaining economy by 1951. Increased production keynotes the entire program, as a glance at the objectives for 1951 will show:

(1) Restoration of pre-war bread grain and other cereal production, with large increases above pre-war in sugar and potatoes, some increases in oils and fats, and as fast an expansion in livestock products as supplies of feeding stuffs will allow.
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(ii) Increase of coal output to 584 million tons, i.e., 145 million tons above the 1947 level (an increase of one-third), and 30 million tons above the 1938 level.

(iii) Expansion of electricity output by nearly 70,000 million Kwh or 40 per cent above 1947 and a growth of generating capacity by over 25 million Kw or two-thirds above pre-war.

(iv) Development of oil refining capacity in terms of crude oil throughout by 17 million tons to two and a half times the pre-war level.

(v) Increase of crude steel production by 80 per cent above 1947 to a level of 55 million tons or 10 million tons (20 per cent) above 1938.

(vi) Expansion of inland transport facilities to carry a 25 per cent greater load in 1951 than in 1938.

(vii) Restoration of pre-war merchant fleets of the participating countries by 1951.*

In the main, European production will supply the capital equipment needed for these expansions. These goals are based on the assumption of assistance from the United States during the next four years. The report of the Paris Conference is an estimate of the deficit anticipated by the 16 participating countries, and the recognition of availabilities in the Western Hemisphere. It suggests the need for assistance in commodities and credits over the four years totaling approximately 22 billion dollars, of which the United States would be asked to contribute about 16 billions.

Meanwhile, the United States Government has taken steps to determine what it can safely and wisely undertake. A committee headed by Secretary of the Interior Krug has been appointed to survey the impact of foreign aid on the raw materials and natural resources of this country and has already made its report. A second committee headed by Dr. Nourse of the Council of Economic Advisers was appointed to examine the effects of assistance on the American economy as a whole. Finally, a third committee of private citizens headed by Secretary of Commerce Harriman is examining the ability of the United States to meet the requirements of European nations in their recovery plan. Its survey is expected to be completed soon after the end of this month.

The Report of the Committee of European Economic Co-operation analyzes the present condition of Europe and lays out a definite course of action. It recognizes that there is no single panacea, no simple remedy, but that steps must be taken in many directions. It sets up production targets. It proposes steps which are being taken and will be taken to bring about internal stabilization. It proposes combined or coordinated action to solve production problems and to provide for the free and efficient flow of goods and labor. It looks towards the eventual solution of the problem of deficits with the American Continent, primarily by reduced requirements as its own production increases and by increased exports. All in all, it is an extraordinary document when one considers that it was prepared in less than 10 weeks, that it constitutes agreement by 16 countries, and that each country has pledged itself to use all its efforts in making its full contribution to the program.

Of particular interest is the attitude expressed towards restrictions on trade. As you all know, the lack of convertible currencies and the shortage of commodities have reduced European trade virtually to a barter basis, with detailed export and import controls applying to practically all commodities. This is, of course, not true only of European countries, and these same restrictions elsewhere have had their retarding effect upon European progress. The member countries have agreed "to abolish as soon as possible the abnormal restrictions which at present hamper their mutual trade", and "to aim, as between themselves and the rest of the world, at a sound and balanced multilateral trading system based on the principles which have guided the framers of the Draft Charter for an International Trade Organisation."

In the last analysis, it is by principles such as this that the Report must be judged, rather than its statistical estimates. We can be certain of one thing: that any estimate of requirements for the next four years is bound to be wrong. For such a period, no one can do more than guess, and there are many uncertainties which no man can foresee. The figures in the report are useful as indicating the general order of magnitude of assistance which its authors feel is required, but they would be the first to insist that they are much less certain of their figures as they leave the more clearly known elements of the immediate requirements. They can be more definite in describing the course which they propose to follow in their joint effort to achieve recovery.

I should like to comment on one assertion that has been made many times in the foreign press, that Germany is to be given some kind of priority in the European recovery program. The United States has a special responsibility in this case. It is true that we believe that the German economic situation must be improved. Germany is not only in bankruptcy today, but it constitutes a serious drag on the economic recovery of all of Europe. With production at 40 percent of prewar, with coal, steel, and fertilizer at exceedingly low levels, it seriously limits the progress that can be made elsewhere. Prosperity is indivisible. It is equally true that depression is indivisible. The lag in German production is clearly too great for the good of Europe. A program to lift German production somewhat above its present low level can hardly be regarded either as giving priority to German recovery, as if that were something entirely apart from European recovery, or as recreating the German giant which has twice plunged the world into war. We are fully conscious of the need for security control over Germany and have offered, among other steps, to join in the enforcement of a security treaty which would assure continued demilitarization through inspection for 40 years. But on the economic front increased German production is a necessary part of any European recovery program and should be included therein.

Certainly there can be no question that there are humanitarian aspects involved in the immediate steps we are taking to relieve a hungry Europe as well as in the long-range aid for complete and lasting recovery envisaged by the Paris Committee. But the overriding consideration, it seems to me, is that we cannot fail Europe for our own sake. There are many good reasons for this.

I do not wish to overemphasize the economic factor. This is not a matter where careful calculation in economic terms should decide what course we should follow. As a matter of fact, no such calculation can be made. No one can assure us with finality that any recovery program will prove effective. But we do know that we have many economic ties with Europe, that we are accustomed to buy and sell in the European market, and that a collapse in Europe will require considerable readjustment in our own economy.

But the issue should be decided on a broader basis than that. Two world wars should have taught us that we cannot isolate ourselves from the inevitable consequences of major happenings abroad. History proves that we cannot remain secure when the countries of Europe, with whom we are intimately connected by ties of race, thought, and technology, are threatened by violence or destitution. In our own self-interest, we cannot afford to let Europe walk the last mile down the road to ruin.

What may happen in Europe if we do not help stabilize conditions there is problematical. The Paris Report has this to say: "If nothing is done a catastrophe will develop as stocks become exhausted. If too little is done, and if it is done too late, it will be impossible to provide the momentum needed to get the programme under way. Life in Europe will become increasingly unstable and uncertain; industries will grind to a gradual halt for lack of materials and fuel, and the food supply of Europe will diminish and begin to disappear."

First would come chaos, and out of that would come tyranny, perhaps Communism, perhaps resurgent Fascism. In all likelihood, the European civilization from which ours descended would eventually be blotted out and a new Dark Age would descend upon the Continent. And the values which we have and continue to receive from that part of the world's culture and civilization would be lost to us.

Fortunately, we have a brighter alternative to that grim and depressing prospect. By some sacrifices now we can envisage at least the possibility of a prosperous, stable, and democratic Europe. By extending our vision and exerting our strength now, we will not deny ourselves the chance of having a strong and friendly partner that will work with us in expanding world prosperity. It is a momentous decision, yet I cannot see that the choice is difficult. One way lies certain disaster for Europe; the other offers a real possibility of European recovery.

Americans willingly made sacrifices and worked much harder during the war to make certain an Allied victory and the right to decide for ourselves the kind of a world we want to live in. Surely we are willing to make lesser sacrifices now in order to maintain and defend the principles for which we fought.
America’s Stake in Europe

BY ASSISTANT SECRETARY ARMOUR

The American Government has responded to the worsening of Europe’s food situation on the threshold of winter by redoubling its efforts to guarantee delivery of the additional food that Europe must have for survival. Because of the shrinkage of our own corn crop, the task is more formidable than ever. It will challenge the united effort of the American people, but I am confident that they will meet this challenge as courageously and as successfully as they have others in the past.

The acute need of Europe for adequate supplies of food, coal, and other essential materials to survive the winter is actually a crisis within a crisis. The basic problem underlying Europe’s immediate needs is production, for, as you who are concerned with distribution are well aware, in order to have something to distribute, it must first be produced. The real need of the world today is for a vast increase in the volume of materials and goods available for distribution among mankind on a scale that will provide a satisfactory standard of living, economic security for the common man and his family, individual freedom, political stability, and lasting peace.

It is generally conceded that the United States has made the most spectacular advances of any country in the technology of production and distribution as well. Our potential contribution to the permanent improvement of the well-being of mankind, in the form of this invaluable knowledge and skill, far surpasses in ultimate effect the quantities of food and materials we now supply a needy world, decisive though this immediate contribution may be in the present critical situation.

There is ample evidence that Europe fully understands that increased production provides the only sure solution of its basic economic problems. The fact is that western Europe has increased its production far more than is generally recognized in this country. Industrial production in the British Isles and the Scandinavian countries is now greater than in 1938. France, Belgium, and Holland have restored industrial activity to between 80 and 90 percent of prewar. Italy lags somewhat behind, and Germany, once the mainspring of continental economy, has barely surpassed the halfway mark on the road back.

Germany presents special problems, of course, but it is obvious that an economically stagnant and depressed area in the heart of the Continent is a detriment to the European recovery effort. The recent joint decision of the American and British Governments to raise the levels of industry of the part of Germany they control to approximately the 1936 standard reflects our determination to use German resources and assets in the interest of the European economy as a whole. At the same time, we will enforce strict security measures to insure that German militarism and military potential does not revive and threaten world peace again.

The increased production thus far achieved in Europe is heartening to both the Europeans and their friends abroad, but it is far from sufficient. Western Europe contains about 24 million more people than it did in 1938, and a further increase of 8 million is forecast by 1951. There are more mouths to feed, more bodies to clothe, more families to house. Homes, buildings, factories, and machines destroyed, damaged, or worn out during the war must be rebuilt, repaired, and replaced. There is an enormous accumulated demand for consumer goods which people have not been able to obtain in normal quantities for eight years.

Meanwhile, the Europeans liquidated a substantial part of their foreign investments to finance the war and now feel the loss of the income from these investments, which formerly helped pay for the excess of their imports over exports. The result of these various factors is that, as regards production, Europe must run faster than ever in order to stand still. For example, the British are producing more, both in agriculture and industry,

1 Address delivered before the Boston Conference on Distribution, Boston, Mass., on Oct. 21, 1947, and released to the press on the same date. Norman Armour is Assistant Secretary of State for political affairs.
and are exporting more than in 1938, but their food ration is lower than at any time during the war.

Until Europe can increase its production further, to the point where it not only can supply its own basic needs but also have a surplus to exchange for its imports, it must meet its essential requirements by shipments from abroad in excess of its present ability to pay for them. Thus far, this trade deficit has been met by use of Europe's remaining dollar balances and gold reserves, further liquidation of its dwindling foreign investments, and grants and credits from abroad—chiefly the \( 10\frac{3}{4} \) billion dollars provided by the United States from mid-1945 to mid-1947. Now these resources are rapidly nearing exhaustion, at a time when Europe's difficulties are further complicated by the worst crop failure in generations. Unless ways are found to keep essential supplies of food and coal flowing to Europe—not to mention other basic materials and equipment necessary for reconstruction—there is grave danger that economic progress will come to a standstill and serious political disturbances may result.

The problem of how to meet the interim needs of Europe is receiving the most careful and sympathetic consideration of our Government. As you know, several congressional committees will meet early next month to study this matter. Meanwhile, the administration is using every resource at its command to meet Europe's most urgent requirements.

At the same time intensive study is also being made of all aspects of the question of our participation in a long-range program for European recovery. This question was inherent in Secretary Marshall's suggestion on June 5 that Europe take the initiative in developing a program for the maximum utilization of its own resources and efforts, both in individual countries and as a group, and in calculating the amount of assistance it would require from others to achieve lasting recovery.

Europe's proposals are now before us, in provisional form, in the report drafted by the 16 nations attending the Paris conference. After due consideration of that report and the estimates being made of our own capabilities, the Congress will be in a position to consider and determine the direction and the extent to which we can participate in a comprehensive program for the rehabilitation of Europe.

The extent of our ability to assist others, of course, is limited by our own resources. It is in the interest of those who rely on us, as well as our own, to see that the American economy—the supply base of world recovery—is not undermined by a too severe or ill-considered drain on our resources. We are prepared to face the fact that we shall have to press our agricultural production in directions that will later cause us problems of realignment and that it will take longer to fill our own needs for agricultural and transportation equipment if we furnish assistance than if we do not.

We hope, however, that we may join in a great cooperative endeavor to raise the common standard of living, first of Europe, then of other regions. Such a course, in the long run, will benefit us as well as others. It is only through rising standards of living abroad that world peace and prosperity can be maintained on a long-term basis. To accomplish this purpose the United States offers its experience, its technological skills, and much of its substance to help other nations attain the highest possible degree of development and progress.

This approach is not a one-way street. Europe has been laid waste by war and its people temporarily exhausted by the cumulative effects of eight years of strenuous exertion on short rations. But Europe before the war was a vital factor in world affairs, and it will be again. Europe, exclusive of Russia, contains only 4 percent of the land area of the earth and only 19 percent of the population. Yet in prewar days Europe accounted for more than half of the world's total trade. Much of this was among the European countries themselves. But in 1938 the 16 countries that have signed the Paris report took 35 percent of total United States exports. In 1946 our exports to those countries had tripled in dollar volume, from just over one billion in 1938 to more than 3 billion last year. But relatively the proportion to our total exports was about the same—33 percent. During the first six months of this year, the dollar rate of exports to the 16 countries rose still higher, but the 33-percent ratio remained constant.

The value of our imports from the same group of countries has been much smaller than our ex-
ports to them, both before the war and in the last two years. Our imports from these countries, worth 415 million dollars in 1938, constituted 21 percent of our total imports. In 1946 the dollar value rose to 676 million, but this higher figure amounted to only 14 percent of our total imports, and for the first half of 1947 the comparable figure was 12 percent.

The statistical explanation for these figures, of course, is that both our total exports and our total imports, measured in dollars, are running at record peacetime rates. But further analysis of these trade figures leads, I think, to conclusions of great significance to our current, and especially potential, position in regard to world trade.

In 1946 we exported to the 16 countries goods valued at 3 billion, 196 million dollars, while we imported from them goods valued at 676 million dollars. Our exports were greater than our imports by 2½ billion dollars, and the same trend has continued this year. This is a concrete example of the problem referred to as balance of payments or the so-called dollar shortage.

There are two general causes of this great disparity of our postwar trade with the western European countries: first, the abnormal need by these countries for American food, coal, and other goods and services; and second, their inability thus far to supply us with the volume of goods and services that we might have bought from them had these things been available in greater quantity. Both of these causes stem from the same basic source; that is, the generally low state of productivity in Europe.

The first of these causes has received a great deal of attention; the second, considerably less. I should like to repeat for emphasis that in 1938, 21 percent of our imports came from the 16 countries, and in 1946 and the first half of 1947, 14 and 12 percent. Since 1938 our national income has increased from about 64 billion dollars a year to a current rate of about 200 billion. This means that we provide a much larger market, not only for our own producers but those of other countries as well. In fact, during the first seven months of this year we were importing goods at an annual dollar rate three times greater than in 1938. I think it stands to reason, in these circumstances, that if Europe had been able to furnish us with a greater volume of goods, we would have bought them. This, of course, would have the desirable effect of partially closing the gap and easing the problem of Europe's so-called dollar shortage.

Another important consideration bearing on the probable volume of our future imports is that the prodigious demands of our war production depleted our irreplaceable natural resources at a much faster rate than normally, so that in respect to certain strategic materials we have changed from a "have" to a "have-not" nation. For example, before the war we exported copper; now we must import it. The United States has never been entirely self-sufficient, despite some former misconceptions in that respect. Our wartime plight when we were cut off from sources of certain strategic materials should have dispelled any such illusion. The fact is that now, more than ever, imports are of vital importance to our economy; we must obtain larger quantities of many materials from abroad than ever before if we are to maintain anything like our present level of production, which is about two-thirds higher than prewar.

This is no cause for regret, although the effects of this situation on our national defense position require careful consideration. The money we pay other countries for our imports comes back to us in payment for the goods we export to them. Substantial increases in the volume of our imports will help correct the present lop-sided trade balance. The same effect is produced by the travel of Americans abroad; world trade, as well as understanding among peoples, will benefit when conditions abroad, and especially in Europe, improve to the extent that Americans can travel again in large numbers. American tourists spent about one billion dollars abroad in 1929, when the national income was 88 billions. Now that the national income is more than twice that figure, it is logical to assume that, under normal conditions abroad, the tourist business of Americans might reach or exceed 2 billion dollars a year.

Our entire foreign economic policy, in which reciprocal trade agreements and the proposed International Trade Organization are important elements, is directed toward achieving a vast expansion of trade among all nations with benefits to all. It is our sincere belief that once Europe rises from the ruins of war, her trade with us will

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strike a more normal balance, at levels higher than before the war. The advantages to both this country and Europe are obvious.

But the economic advantages, important as they are, are not our paramount consideration. The American people and their Government have demonstrated time and again that our first concern is with human values. Although we do not pretend to claim perfection in performance and are better aware than others of our shortcomings, it is our earnest endeavor to exalt the dignity and worth of the individual and to put his happiness and welfare above all other considerations. Particularly do we seek to safeguard the rights of the individual from all encroachments of arbitrary power, even—or especially—any unreasonable extension of the power of the state itself at the expense of human freedom. As Secretary Marshall said in a very recent speech here in Boston: "... the basic issue ... is simply whether or not men are to be left free to organize their social, political, and economic existence in accordance with their desires, or whether they are to have their lives arranged and dictated for them by small groups of men who have arrogated to themselves this arbitrary power."

The countries of western Europe traditionally adhere to the same tenets that have inspired and upheld our country since its birth. Common faiths and modes of thought bind Europe and America together far more strongly than do the ties of trade, important though they are. Even in the travail of war and postwar desolation, the peoples of western Europe have persisted in their allegiance to the principles and practices of democracy. This spiritual strength has enabled them to survive ordeals that would have crushed mere physical resistance unsupported by inner conviction. This moral strength of character will enable the peoples of Europe to rebuild and emerge stronger, more vigorous, and more useful than ever to the world—if we but lend them some of America's abundant strength in their hour of need.

I urge you, in the vernacular of the marketplace, "Don't sell Europe short." We are not being called upon to restore a ghost town that has outlived its usefulness and is destined to become only a museum-piece of war ruins and extinct civilizations. We are given an opportunity to invest in the reconstruction of a former thriving and promising community, hard hit by disaster but undismayed and determined to regain its place in the sun. Europe is a vast reservoir of energies, skills, and cultural values that have contributed magnificently to the progress of the world in the past—and can do so again.

We recognize that the rate and degree of European recovery must depend largely upon the efficiency of the effort put forth by the participating countries. If the energies of the European peoples are dissipated in ideological struggles, we cannot expect the necessary progress in working their passage toward improved living conditions and political stability. We recognize that the economic systems under which nations operate are the outgrowth of different traditions and special conditions and are intimately related to the national character of the people. Each nation must work out the social and economic system best suited to its own conditions. We consider, however, that it is incumbent upon nations making large requests upon the economies of others to demonstrate that any assistance rendered will be used efficiently and that it will contribute to the maintenance of institutions that are the free choice of the people.

We are well aware that the whole purpose of the recovery program organized by the 16 participating nations has aroused the malignant opposition of those whose aggressive political aims can be realized only by the continuance and intensification of hunger, misery, and despair. The mani-

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U.S. Holds Korean Independence a U.N. Problem

EXCHANGE OF NOTES BETWEEN THE ACTING SECRETARY OF STATE AND THE SOVIET MINISTER FOR FOREIGN AFFAIRS

[Released to the press October 20]

October 9, 1947

DEAR MR. MARSHALL: The position taken by the U.S. Delegation in the Joint Soviet-American Commission at Seoul provides evidence that the U.S.A. Delegation does not wish to continue the work of the Joint Commission with a view to reaching, on the basis of an exact observance of the Moscow Agreement on Korea, agreed decisions on questions connected with the establishment of a provisional Korean democratic government.

In violation of the Moscow Agreement on Korea and the understanding reached between the Governments of the U.S.S.R. and the U.S.A. in May 1947 concerning the conditions for resuming the work of the Joint Commission, the U.S.A. Delegation insists that not only democratic parties and groups in northern and southern Korea which have signed the declaration of support for the aims of the Moscow Agreement and are loyally carrying out the conditions of this declaration, but also such reactionary groups which, having signed this agreement, are carrying on a struggle against the Moscow Agreement and are continuing to comprise the so-called "Anti-trusteeship Committee", which contradicts the above-mentioned understanding between the Governments of the U.S.S.R. and the U.S.A., shall take part in the formation of the Korean Government. The Soviet Delegation, consistently defending the principles of the Moscow Agreement, obviously cannot agree with this.

The position of the U.S.A. Delegation has made impossible the formation of a provisional Korean democratic government in accordance with the Moscow Agreement, which hinders the re-establishment of Korea as a united democratic state.

In view of the situation which had been created the Government of the U.S.S.R. instructed the Soviet Delegation to introduce in the Joint Commission at Seoul a new proposal, namely: To give to the Koreans the possibility of forming a government themselves, without aid and participation on the part of the United States of America and the Soviet Union, on condition that American and Soviet troops be withdrawn from Korea. If the Government of the U.S.A. should agree to the proposal for the withdrawal from Korea of all foreign troops at the beginning of 1948, the Soviet troops would be ready to leave Korea simultaneously with the American troops.

Notwithstanding the fact that this proposal was introduced by the Soviet Delegation at the session of the Joint Commission on September 26, the U.S.A. Delegation has unfortunately not replied to date, which cannot fail to delay the solution of the Korean question.

With reference to the consideration of the Korean question at the session of the General Assembly of the United Nations Organization, which was proposed in Mr. Lovett's letter of September 17, the position of the Soviet Government on this question, as you know, has already been set forth by the Soviet Delegation to the General Assembly.

Copies of this letter are being sent by me to the Governments of Great Britain and China.

Please accept [etc.]

V. MOLOTOV

November 2, 1947

2 Note delivered to the Soviet Ministry for Foreign Affairs at Moscow on Oct. 18.
occupation forces to which you state no reply has been received.

The Secretary of State announced on September 17* that the problem of setting up an independent Government for a unified Korea would be presented to the General Assembly of the United Nations and on September 23 the General Assembly voted to place this question on its agenda. In the opinion of the United States Government the question of withdrawal of occupation forces from Korea must be considered an integral part of the solution of that problem.

The United States Delegation to the General Assembly meeting in New York City has now had circulated to the various delegations for their consideration a proposed resolution which is designed to bring about the early establishment of an independent Korean Government representative of the will of the Korean people, and the consequent speedy withdrawal of all occupation forces. In submitting this proposal to the Secretary General, specific attention was called to the Soviet proposal for the simultaneous withdrawal of troops with the statement of the United States' hope that having both proposals before it the General Assembly would be able to recommend a solution of the problem. A copy of the United States proposals was delivered to the Soviet Delegation in New York prior to its being communicated to the Secretary General of the United Nations for transmission to the other delegations.

In view of the continued inability of the Soviet and United States Delegations in the Joint Commission to agree on how to proceed with their work and the refusal of the Soviet Government to participate in discussions on this problem with the other Governments adhering to the Moscow Agreement on Korea, the United States Government considers it is obligated to seek the assistance of the United Nations in order that, as the Secretary of State said on September 17, "the inability of two powers to reach agreement" should not further delay the early establishment of an independent, united Korea.

Copies of this letter have been furnished to the Governments of the United Kingdom and China.

Robert A. Lovett

Current United Nations Documents: A Selected Bibliography

Department of Public Information, Research Section


Economic and Social Council


3 Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

Department of State Bulletin
Mr. President: The proposal of the Soviet Union entitled “Measures To Be Taken Against Propaganda and the Inciters of a New War”, demanding suppression and censorship, ought to be rejected. It is contrary to principle; it is bad policy. It diverts attention from practical programs for removing the real causes of war. The Charter repeatedly commits the United Nations jointly and severally to the promotion of human rights and fundamental freedoms. Freedom of speech is one of the most fundamental of human rights. It is so important in the theory of the people of the United States of America that it is regarded as a sull under the whole house without which the house would fall. This Soviet resolution is, therefore, in policy and principle a direct attack on the United States of America. It was not necessary to include in the resolution the name of the United States of America in order to advertise to all the world that the Soviet Union was making a direct attack upon the very foundations of all that keeps our Government free and assures to its people the blessings of true liberty.

In the United Nations the first article of our faith as stated in the preamble is based on the “dignity and worth of the human person”, on individual conscience, on personal responsibility. Freedom of speech involves much more than the right to express oneself by word or in print. It is also the freedom to listen, to read, and, above all, to think for one’s self. And, we see clearly that this resolution would put shackles on the brain of man as well as a gag in his mouth. It is not designed to permit the individual to grow in wisdom and increase in spirit by seeking and formulating for himself a conception of truth. For this, the individual must have access to the knowledge of good and evil and what is regarded as true and what is condemned as false. There is a danger, however, as Secretary Marshall said last week, which I quote here:

“... the individual man, whose well-being is the chief concern of all democratic policies, foreign or domestic, is being lost sight of in the welter of ideological generalities and slogans which fill the air.”

If the individual had only to accept the thoughts and ideas ladled out to him by a paternal authority through newspapers which are in effect government or party bulletins, he would never attain that “dignity and worth” of the individual in the Charter of the United Nations.

Freedom of speech, by cultivating the dignity and worth of the individual, provides the basis of responsible and stable government.

President Thomas Masaryk, in founding the new state of Czechoslovakia, stated the point clearly. He wrote:

“Freedom of opinion is a form of political freedom, and a condition of it. In practice, journalism and the daily press are extensions of parliamentary control over government. ... Moreover, the freedom of the press ensures the right to criticize public men and the whole apparatus of the state. Criticism is at once a postulate and a method of democratic policy just as it is a postulate and a method of science and of the scientific spirit. The right to criticism is a right of political initiative.”

It is the individual, participating in free institutions in the community, who gives life and strength and growth to the government. He reacts to practical experience and he colors public opinion according to the needs, the interests, and the emotions of his neighborhood. The government being

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1 Warren R. Austin. Excerpts from remarks made on Oct. 23, 1947, before the First Committee (Political and Security), of the General Assembly, and released to the press by the U.S. Mission to the U.N. on the same date.
4 Making of a State, by T. G. Masaryk, pp. 400–401.
his agent and servant, and not his master, listens
and thus learns the will of the people.

Governments must be able to hear the people
talking if their voices in this great Assembly are
to be truly representative and powerful in the in-
terests of peaceful progress. Only if all sides of
the great issues can be heard and freely discussed
can we hope to crystallize and organize public
opinion into positive action here in the United
Nations.

The principle we are working for in the United
Nations is freedom of information—the free flow
of information and opinion. The proper place
for full consideration of the rights and responsi-
bilities of the press and of other means of com-
munication is the Conference on Freedom of In-
formation scheduled for next March. The agenda
to which we have agreed provides for discussion
by experts, seeking constructive measures to pro-
 mote responsibility in the exercise of the right of
free speech and free press.

The style of the proposal that we have before
us—that is, its form and its language and its
cunning of separation and unity—does not exempt
it from criticism for containing the enslaving
power. The direction of the prohibition expressly
against evil propaganda—not mentioning good
propaganda—which is found here is the classic
method of applying shackles to the mind of the
governed. Wherever censorship and suppression
by law or decree has been proposed it has always
been aimed at bad propaganda. Yet from experi-
ence of centuries we know that the power to sup-
press bad propaganda is the power to suppress
good propaganda.

This doctrine of extension of the hand of the
magistrate over the thoughts and words of the
people has never succeeded in any free country.
Wherever the magistrate controls or represses this
particular freedom there is no law that is certain
and reliable because it is always within the power
of the magistrate in such a tyrannical situation to
say what is the law, what is criminal propaganda,
what is war propaganda. What is the alternative?
What can you have left for a people suffering un-
der that type of tyranny? Nothing but rebellion
or revolution! The antidote for such force as that
has always been—and I pray God it always will
be—freedom of the mind, of the lips, of the ears,
of the hands of the individual.

Now I want to conclude this part of my address
with this repeated assertion: This resolution will
not bear the support of amending it. It ought
to be absolutely suppressed because in the name
of the United Nations, strange as it may seem, it
calls upon governments which, in their law and
practice, respect now the right of free speech to
 prohibit free speech “on pain of criminal
penalties.”

This resolution ought to be killed because the
proposal is bad. Its policy is wrong.

Actually, attempts to suppress thought and ex-
pression cannot, in the long run, succeed. You
cannot stop men from observing, comparing,
contrasting, thinking, and whispering to each other
their true thoughts. It has not even been done
completely in the country from whence comes this
resolution. And they will only hate the authority
which prevents them from speaking as self-
respecting men in the open.

Nothing could be more calculated to outrage the
sensibilities of honest men than the attempt of
fallible leaders to arrogate to themselves the power
to determine what men think and say.

Isn’t this true? Given the diversity of human
opinions, it is obviously possible, when expression
is not stifled, to find by assiduous and calculated
selection statements or expressions of opinions to
support any view whatsoever. It is, however,
distorted and misleading to present such artificially
selected items as a genuine criterion of public opin-
ion, particularly when they represent, not the ut-
erances of a responsible government, but one of
a small minority in a community where the vast
majority are against war.

In the United States and other countries where
true freedom of speech is protected there are great
organizations numbering within their member-
ship millions of private citizens who make a busi-
ness of advocating peace. There are, as you know,
in the United States such organizations as the
General Federation of Women’s Clubs, the Na-
tional League of Women Voters, the American
Association for the United Nations, the great labor
organizations, farmers, and, of course, our
churches all over the land.

Let me cite but one example of the voices for
peace that these great organizations frequently
hear. At the World Convention of Churches of
Christ in America at Buffalo, N.Y., on August 6,
1947, a very distinguished American, Mr. John Foster Dulles, said (let this have its effect):

"The world demands leadership which will frame issues and organize moral power, not to win war, but to win peace.

"... we must see, as most do see, that under modern conditions war is an intolerable institution."

And yet you can see the kind of judgment that we might be exposed to if this resolution went into effect—the judgment given here on this great Christian gentleman and statesman. If anyone uses his privileges in this country to advocate war, he is running completely counter to the convictions of the vast majority of his fellow citizens, and, in turn, to the policies of his Government. The people of the United States and their Government stand for peace through international collaboration through the United Nations.

We are fully aware, of course, and always have been, that liberty carries with it the necessity of restraint, but we also profoundly believe that in the area of human freedom restraint must be a natural growth. It must develop from within. It cannot be imposed by governmental fiat or decree.

Self-discipline, not legal prohibition, is the sanction for good propaganda in a free society. There are and doubtless always will be a few among us in the United Nations who lack the self-discipline to avoid intemperate speech. But this fact does not in any way invalidate the principle that in a free society limitation of freedom must be primarily self-limitation.

As I listened to the reference made by the distinguished representative of the Soviet Union to the opinion of Mr. Justice Holmes rendered in the Supreme Court in a case which did involve this question of speech (the Schenck case), I was astonished that Mr. Justice Holmes, one of the most liberal and broad-minded members of the bench of the Supreme Court in all its history, should be summoned as a support of this reactionary resolution which is presented by the Soviet Union. I hear his voice like a bell in the heavens saying to me:

"Read to them the context of that case, from which a part was garbled. Call their attention to the other decisions and opinions written by me that give a wholly different point to my opinion than that of support for a repressive measure like the resolution that is now before us."

Now that case from which a very brief extract was taken was a case for inciting insubordination and obstruction to military and naval action in time of war. The defendants were summoned for obstructing recruiting and enlisting when the safety of our country depended upon that. Of course, they were convicted. But Mr. Justice Holmes was very careful to save this doctrine of freedom of speech. The point in his decision was to make clear that there is a line fixed between what is proper to do in the way of police power and what is improper to do according to the circumstances and the times. This is the heart of that opinion. This is what makes that opinion an authority and made it famous:

"The question in every case is whether the words used are used in such circumstances and are of such a nature as to create a clear and pressing danger that there will bring about the substantive evils that Congress has the right to prevent."

You cannot leave one word out of that and have a valid understanding of it. It is a question of proximity and degree.

Now then, he elaborated on that view in a subsequent case. This was the case of Abrams vs. the United States. Here was a case where Russian-born people printed a few thousand leaflets of protest against American troops being sent into Russia after the Revolution in 1917. The majority of the court found them guilty. Four men and a girl were sentenced and Mr. Justice Holmes dissented. He is not a witness for suppression; he is a witness for freedom.

And, he said there—this is a dissenting opinion you understand:

"I think we should be eternally vigilant against attempts to check the expression of opinions that we loathe and believe to be fraught with death, unless they so imminently threaten immediate interference with the lawful and pressing purposes of the law that an immediate check is required to save the country."

That is the test. It is no light matter that will cause you to act in such cases. It must be of the gravest import. Not only that, it must be imme-
diately threatening and requiring action at once to save the country.

We find it again in this expression by Mr. Holmes:

"Only the emergency that makes it immediately dangerous to leave the counter-action of evil counsels to time warrants making any exception to the sweeping command: Congress shall make no law abridging the freedom of speech."

Here is another case, the Rosika Schwimmer case involving the refusal of citizenship to a woman who stated that she would not take up arms for this country. Mr. Justice Holmes, dissenting, said this:

". . . if there is any principle of the Constitution that more imperatively calls for attachment than any other it is the principle of free thought—not free thought for those who agree with us but freedom for the thought that we hate."

And yet, would you want your freedom submitted to a magistrate who judged that Mr. Justice Holmes is a good witness to call in support of this resolution? That is what you face if you let this resolution go through.

I think, however, that the occasion is so important that I ought to refer to an opinion by Mr. Justice Brandeis in which Mr. Justice Holmes concurred. It was, of course, an inadvertency for the distinguished representative of the Soviet Union to drag this matter in here and to try to make use of an opinion whose emphasis had an entirely different direction and probative force from that which he used.

This other case is Whitney vs. California. I think perhaps some of my colleagues here may be quite familiar with this case. This was a case where the I. W. W. Terrorists were involved, and it was brought under the California Criminal Syndicalism Act.

We find that, although the Court sustained and affirmed the conviction of these men, Mr. Justice Holmes and Mr. Justice Brandeis wrote a dissenting opinion to that conviction under that repressive law. But the reasoning is the point—and I am going to trespass upon your patience to read some of this because it is more eloquent than any one of us could be in the defense of this fundamental freedom—free speech.

I am skipping over a whole page to this:

"Those who won our independence believed that the final end of the State was to make men free to develop their faculties; and that in its government the deliberative forces should prevail over the arbitrary. They valued liberty both as an end and as a means. They believed liberty to be the secret of happiness and courage to be the secret of liberty. They believed that freedom to think as you will and to speak as you think are means indispensable to the discovery and spread of political truth; that without free speech and assembly discussion would be futile; that with them, discussion affords ordinarily adequate protection against the dissemination of noxious doctrine; that the greatest menace to freedom is an inert people; that public discussion is a political duty; and that this should be a fundamental principle of the American Government. They recognized the risks to which all human institutions are subject. But they knew that order cannot be secured merely through fear of punishment for its infraction; that it is hazardous to discourage thought, hope and imagination; that fear breeds repression; that repression breeds hate; that hate menaces stable government; that the path of safety lies in the opportunity to discuss freely supposed grievances and proposed remedies; and that the fitting remedy for evil counsels is good ones. Believing in the power of reason as applied to public discussion, they eschewed silence coerced by law—the argument of force in its worst form. Recognizing the occasional tyrannies of governing majorities, they amended the Constitution so that free speech and assembly should be guaranteed."

And I am moving over again to another part of this very great decision:

"To courageous, self-reliant men, with confidence in the power of free and fearless reasoning applied through the processes of popular government, no danger flowing from speech can be deemed clear and present unless the incidence of the evil apprehended is so imminent that it may befall before there is opportunity for full discussion. If there be time to expose through discussion the falsehoods and fallacies, to avert the evil by the processes of education, the remedy to be applied is more speech, not enforced silence."

And think of it. Do you want it possible to
have a judgment of whether you are a warmonger and whether what you say or write is warmongering submitted to a magistrate who may have—I merely assert may have—the point of view of the distinguished gentleman who cited Mr. Justice Holmes as a witness for repression of free speech? No!

The road of restraint by edict leads directly to the establishment of censorship and a police state. The United States does not intend to support any steps along that road.

There can be no compromise with efforts to curtail freedom of speech. Condemnation of thought and expression leads to prohibition, prevention, and suppression. Suppression of thought and speech leads to the tyrannical exercise of arbitrary power in the hands of the few. This is the antithesis of democracy, the negation of the principles upon which the United Nations is based.

The United States Delegation opposes any attempts, direct or indirect, to limit freedom of expression. We are against even setting foot upon the path leading to suppression and tyranny. We are, therefore, opposed to this resolution in its entirety.

The Soviet proposal directs attention from practical programs for removing the causes of war. Those programs should now have our undivided attention. Destructive expression cannot make headway if constructive actions are resolutely carried forward in support of the Charter.

There is a genuine ground for concern—even alarm—over the state of international relations. Intemperate talk and provocative expression on all sides point to causes, deep-seated and significant. To attempt to suppress talk reflecting this anxiety is futile. Talk is a symptom. We must get at the causes, such as distress, despair, hunger, and ill health. The causes also include the failure of the United Nations to establish peace forces, the failure to establish safeguards against the use of atomic energy for destructive purposes. The Soviet resolution presents no inspiration or help to members of the United Nations.

For the condemnation of war no resolution by the General Assembly can equal in dignity or authority the Charter of the United Nations. Every feature of the Charter aims at the taking of effective collective measures "to save succeeding genera-

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worked assiduously for these many months on the problem of atomic energy control knew that an exchange of pious promises not to use atomic weapons is of no value except as a part of a fully effective system of control. Without such control, no treaty would provide the security which the world demands. It would indeed be a fraud upon the peoples.

In seeking security, we are also working to reduce the burden of armaments by plan and agreement. We can do this by patient, detailed work in the commission which has been set up for the purpose. The world wants collective security. The absence of collective security is a cause of fear. Slow progress to general disarmament casts doubt upon our ability to outlaw war. But it can be prepared for day by day in the Commission for Conventional Armaments, and can be finally realized when effective safeguards against the destructive use of atomic energy have been established, agreement reached on the shape and size of peace forces, and the peace settlements concluded.

The United States will continue its efforts to meet negative and obstructive diplomacy with a diplomacy that seeks the constructive solution. It is trying to cooperate in words and deeds in many constructive programs for peace, and it is willing that its words and deeds should be judged by its fellow members of the United Nations.

Cooperation in these practical programs by all the members of the United Nations would remove the causes of war, thereby eliminating the symptoms aimed at by the Soviet resolution.

Let us dissent to the resolution and get on with our work.

STATEMENT BY THE U.S. REPRESENTATIVE TO THE GENERAL ASSEMBLY 1

It seems this resolution was introduced with certain political reminders.2 I should like to say at the start that none of us who followed closely the history of the last war will ever forget the magnificent role which Yugoslavia played, nor, I think, will we ever cease to be grateful for what Yugoslavia contributed to the Allied cause.

But we are here talking about something which means the building up of peace.

Now it seems to me that the resolution presented by the Yugoslav Delegation has a familiar look, and the arguments made for it a familiar ring.

Proposals very like this one, involving the same basic issues, have been discussed by much the same protagonists in the Subcommission on Freedom of Information, in the Economic and Social Council, and in the Social Committee of the Council.

In this session of the General Assembly, a remarkably similar resolution introduced by Mr. Vyshinsky is being considered by the First Committee.3 And this, the Third Committee, has fully—indeed, exhaustively—discussed a Soviet proposal concerning the Conference on Freedom of Information, parts of which raised the same basic problems as the resolution now before us.

Each time they have come up, Mr. Chairman, the proposals to which I refer have been voted down. In view of what I believe to be the sense of this Committee in its earlier discussions on the Soviet proposal, I believe that the resolution introduced by the Yugoslav Delegation should be similarly rejected on the ground that the discussion of the issues which it raises has already been fully provided for in the provisional agenda of the Conference on Freedom of Information.

I am the first to acknowledge, Mr. Chairman, that from time to time things are said in the United States by irresponsible persons and press organs which might better be left unsaid.

I think the press of the United States would hardly expect me to defend the Chicago Tribune or some of the journalists. However, much as I

1 Made on Oct. 24, 1947, by Mrs. Franklin D. Roosevelt before the Third Committee (Social, Humanitarian and Cultural Questions), and released to the press by the U.S. Mission to the U.N. on the same date. Printed from telegraphic text.
2 U.N. doc A/C.3/162, Oct. 4, 1947, a resolution submitted by the Yugoslav Government for the prevention of the dissemination, to the detriment of foreign states, of slanderous statements which are harmful to good relations between states and in conflict with the purposes and principles of the United Nations.
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hate what some of our press has said in the past at times, I would defend their right to say it. And I would feel that it was up to the people to choose between different views. The right of people to speak is essential.

There are 140 million people in this country, all of whom have the constitutional right of freedom of speech.

There are more than 1,700 daily newspapers in the United States and almost 10,000 weeklies. The overwhelming majority of these are independent, individual units, locally owned. Even in the case of the dailies, about 83 percent are locally owned and only slightly more than one out of five is connected with a chain. The largest chain in the United States consists of less than 20 dailies.

Each of these papers is free to report world news and to comment on this news as it likes.

Out of this total of 140 million citizens, 1,700 daily newspapers, and 10,000 weeklies, there are bound to be some extremists. There are two ways in which these extremists can be handled. One way is to put them in jail; the other is to argue with them in the open and bring them under the weight of wiser opinion. We prefer the latter.

This may be difficult to understand in countries accustomed to a system of complete, monopolistic control of all organs of opinion.

The problem raised by the Yugoslav proposal is a matter of serious concern to the United States, and my Government is anxious that this problem be faced frankly and squarely.

For many months, a systematic campaign of propaganda has been waged by and in certain countries against the United States and other democratic nations which share our fundamental beliefs. This campaign is designed to estrange existing feelings of friendship toward the United States and its democratic friends, to lessen confidence in them, and to isolate them morally.

The United States seeks to protect the independence of other states and to attain peace through the United Nations; yet we are pictured as "aggressive", "imperialistic", and "war-mongering" frantically preparing for a third war.

The United States is economically strong, her people are producing more than they have ever produced before; yet in order to lessen confidence in international cooperation with the United States, there has been for two years a flood of propaganda about an alleged coming American depression.

The United States is a democracy in which the people can change their government by their own votes. When any one group has become too strong, the people have put restrictions on them and have taken the power back in their own hands. Yet we are bombarded with propaganda that the United States is dominated by "Wall Street", is supporting "Monarcho-Fascists", "imperialists", "cartelists", "dollar-worshipers", and "feudalists" the world over against the wishes of the people concerned.

The people of the United States have given those things they have produced with their own hands—foodstuffs, coal, and manufactured goods—to nations who have been made hungry and needy by the war, in order that those nations may again become economically strong and politically independent; yet there is propaganda that the United States is not a sincere friend because its intentions are selfish and evil; that the United States is not a useful friend because it will fail in the hour of need; that the United States is not a worthy friend because of the bad company it keeps.

The chief element of concern to my Government in this situation is not that the United States is being criticized or maligned. We do not object to the fact that we are subject to criticism in any free press or over any free radio in the world. The concomitant of the doctrine of freedom of information is that every government is subject to criticism from all interested sources.

What is of grave concern to my Government is the growing practice of erecting tight governmental monopolies over the information disseminated in many nations of the world. Sometimes what is printed in the controlled press of these countries is not false so far as it goes, but the whole truth is rarely told. A careful selection of items is made to build up the desired general picture, and the rest of the news is frequently omitted or distorted. I think those of us who listened to the debates here must know that by this time, because we have heard cited both here and in Committee One definite quotations, but we have never heard anything on the other side, and there is, of course, more on the other side that could be quoted. I think that that is something that we ought to
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remember in discussing what happens in a free press.

A recent example of this technique is the treatment by the controlled press of the statements made by Mr. Vyshinsky and Secretary Marshall at the opening session of this Assembly. Mr. Vyshinsky's address was given copious space, frequently being produced verbatim. Secretary Marshall's statement, on the other hand, received no mention whatsoever in many press organs, and where brief mention was given, the account was slanted in the desired direction. In the United States press, on the other hand, Mr. Vyshinsky's statement was reported fully and fairly in all major press organs, despite the fact that it contained an indictment, among other things, of the American press itself. In this way, the people of the countries in which the controlled press functions are being sealed off from the outside world, kept in the darkness of governmental and semigovernmental propaganda, and systematically shielded from the light of full truth.

The threat to international peace and security is indeed grave when behind these walls of contrived ignorance governments persistently slander governments and official propagandists work to poison the wells of international friendship—without possibility of effective reply.

The problem raised by the Yugoslav resolution deserves careful study with regard to private news agencies but even more with regard to governmental and semigovernmental information services. The time and place for this consideration is obviously the Conference on Freedom of Information at Geneva beginning the next 23d of March.

The Yugoslav proposal clearly falls within the terms of reference of the Conference, which call for the formulation of "its views concerning the rights, obligations and practices which should be included in the concept of the freedom of information".

Item 2(D) of the provisional agenda reads as follows:

"Consideration of the following fundamental principles to which media of information should have regard in performing their basic functions of gathering, transmitting and disseminating news and information without fetters:

"(D) To help maintain international peace and security through understanding and co-operation between peoples, and to combat forces which incite war, by removing bellicose influences from the media of information."

Item 5(C)(II), inserted at the instigation of the Soviet member on the Subcommission on Freedom of Information, speaks of:

"(II) Counteracting false information through "(1) the study of measures for counteracting and spreading of demonstrably false or tendentious reports which confuse the peoples of the world, aggravate relations between nations or otherwise interfere with the growth of international understanding . . . .

"(2) the study of measures, especially legislative measures, which are designed to establish the responsibility of the owners of newspapers which spread false and tendentious reports of a nature which worsen relations between peoples, provoke conflicts and incite to war."

It is therefore clear that the provisional agenda already provides for the discussion of problems of the type raised by the Yugoslav Delegation.

In the opinion of the Delegation of the United States, the remedy to the existing situation does not lie, as the Yugoslav resolution implies, in a further curtailment of freedom of information. Rather it is to be sought in a vast expansion of freedom of information both internationally and domestically a breaking down of the monopolies and inadequacies of information which now exist in varying degrees almost everywhere in the world.

Self-discipline is necessary, but I do not believe that repression of opinion can be accomplished effectively by law—at least in the many countries which cherish a tradition of freedom of speech and of the press.

Despite our differences in language, national background, and ways of life, one of the magnificent things about the United Nations, to my mind, is that we understand each other as well as we do. It is deeper understanding among peoples and a greater interchange of information and of persons across international boundaries that is called for to remove present distrust.

I do not approve of warmongering. I do not approve of inciting to war. But I do approve of the fundamental freedoms, and I do not see how, by law, one can curtail these freedoms. I think

that this cannot be as well discussed here—where we are not experts on the press on the whole, although I know there are some experts here—as it can be discussed and the proper methods found in Geneva in the conference which has already been called.

Mr. Chairman, it seems to my Delegation that the proposal of the Yugoslav Delegation has already been rejected, in principle, by this Committee through action which this Committee has previously taken on the agenda of the Conference on Freedom of Information, which was drawn up after full discussion of the issues now before us; and furthermore that the agenda now includes language which is quite adequate to permit at the Conference full discussion of these issues should such discussion be desired by any delegation. I therefore urge, Mr. Chairman, that the proposal of the Yugoslav Delegation be rejected.

**America’s Stake In Europe—Continued from page 866**

festo issued by the recent Warsaw conference of Communist leaders from nine countries is a public avowal of the determination of the Communists to defeat, if possible, the constructive efforts of the nations of western Europe to regain their health, their self-respect, and their ability to live a good life, worthy of proud and free peoples. Europe was broken by war and has begun to mend. We fail to see why the convalescent should be broken once more only to be reset in a distorted and crippling form.

The opposition of those who must reduce free peoples to degradation in order to make their own alternative seem attractive by contrast is the most eloquent testimonial to the effectiveness of the Marshall approach to European recovery that has yet appeared. It also constitutes a deadly serious challenge that the free peoples of the United States and western Europe should recognize and prepare to meet. Such opposition not only puts us on notice that there is a risk involved in the democratic program for the salvation of Europe; it tells us plainly that there is an even greater risk in not initiating that program and vigorously pressing it to a successful conclusion.

The whole problem would seem made to order for American enterprise. It calls for the bold imagination, the broad vision, the adventurous spirit, and the forceful action that combines audacity and practicality—the same pioneering that made America itself great—applied this time on an international scale. It calls for raising our sights to wider horizons—for visualizing a saner world in which we and all other peoples will share the blessing of peace and prosperity. Let us respond to this challenge in the traditionally American way—boldly, energetically, decisively.

**Corrigendum**

In the BULLETIN of October 12, 1947, page 731, the Security Council committee established to tender the good offices of the Security Council in the settlement of the dispute between the Netherlands Government and the Republic of Indonesia was erroneously referred to as an arbitration committee. The Council resolved to tender its good offices to the parties concerned through a committee of three.
# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings

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<td>Geneva</td>
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<tr>
<td>CPM (Council of Foreign Ministers): Committee To Examine Disagreed Questions of the Austrian Treaty</td>
<td>Vienna</td>
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<tr>
<td>International Radio Conference</td>
<td>Atlantic City</td>
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<tr>
<td>International Telecommunications Plenipotentiary Conference</td>
<td>Atlantic City</td>
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<tr>
<td>International High Frequency Broadcasting Conference</td>
<td>Atlantic City</td>
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<tr>
<td>ICAO (International Civil Aviation Organization): Legal Committee</td>
<td>Brussels</td>
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<tr>
<td>Joint Airworthiness Operations Committee</td>
<td>Paris</td>
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<tr>
<td>United Nations:</td>
<td>Lake Success</td>
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<tr>
<td>ECE (Economic Commission for Europe):</td>
<td>Geneva</td>
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<tr>
<td>Panel on Housing Problems</td>
<td>Geneva</td>
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<tr>
<td>Committee on Electric Power</td>
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<td>Subcommittee on Timber</td>
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<tr>
<td>Committee on Inland Transport</td>
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<tr>
<td>Narcotic Drugs Supervisory Body: 28th Session</td>
<td>Buenos Aires</td>
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<td>ICAO (International Civil Aviation Organization): Conference of Directors</td>
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<tr>
<td>Pan American Sanitary Organization: Directing Council</td>
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<tr>
<td>Icef (International Children's Emergency Fund):</td>
<td>Paris</td>
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<td>Program Committee</td>
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<td>Meeting of Executive Board</td>
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<tr>
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<td>International Conference of National Travel Organizations: General Assembly</td>
<td>Zurich</td>
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<tr>
<td>Conference of International Committee on Folk Art and Folklore</td>
<td>Lima</td>
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<tr>
<td>Rubber Study Group: Meeting of Management Committee</td>
<td>Mexico City</td>
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<tr>
<td>Third International Congress on Grapes, Grape Juice and Wine</td>
<td>Istanbul</td>
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<tr>
<td>International Tin Study Group: Meeting of Management Committee</td>
<td>Brussels</td>
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<tr>
<td>International Conference on Livestock Production</td>
<td>Zurich</td>
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<tr>
<td>Sixth Pan American Congress of Architects (including pan-American exhibits of architecture and city planning)</td>
<td>Lima</td>
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<tr>
<td>First Pan American Consultation on History</td>
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*Prepared in the Division of International Conferences, Department of State.*
### Calendar of Meetings—Continued

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<tr>
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<tr>
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<td>Commission on Conventional Armaments</td>
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<tr>
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<td>Lake Success and Flushing Meadow</td>
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<tr>
<td>Security Council’s Good Offices Committee on Indonesia</td>
<td>Lake Success and Indonesian Territory</td>
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<td><strong>German External Property Negotiations (Safehaven):</strong></td>
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<td>With Portugal</td>
<td>Lisbon</td>
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<td>With Spain</td>
<td>Madrid</td>
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<tr>
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<tr>
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<tr>
<td>Second Session of the Council</td>
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<td>Sept. 2–</td>
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<tr>
<td>Aerodromes, Air Routes, and Ground Aids Division</td>
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<tr>
<td><strong>IARA (Inter-Allied Reparations Agency): Meetings on Conflicting Claims to German Assets</strong></td>
<td>Brussels</td>
<td>Sept. 8–</td>
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<tr>
<td><strong>CFM (Council of Foreign Ministers): Meeting of Deputies for Italian Colonial Problems</strong></td>
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<td>Oct. 3–</td>
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<tr>
<td><strong>Anglo-American Discussion on Financial Provisions of Bi-zonal Economic Fusion Agreement</strong></td>
<td>Washington</td>
<td>Oct. 8–</td>
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<tr>
<td><strong>National Exhibition and Meeting of Cartography and Optics</strong></td>
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<td><strong>ILO (International Labor Organization): Preparatory Regional Asian Conference</strong></td>
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<td><strong>Scheduled for November 1947-January 1948</strong></td>
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<tr>
<td>NARBA (North American Regional Broadcasting Agreement): Meeting of Technicians</td>
<td>Habana</td>
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<tr>
<td><strong>UNESCO (United Nations Educational, Scientific and Cultural Organization):</strong></td>
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<tr>
<td>Fourth Session of Executive Board</td>
<td>Mexico City</td>
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<td>Second Session of General Conference</td>
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<tr>
<td>International Council of Museums: Interim General Council</td>
<td>Mexico City</td>
<td>Nov. 7–</td>
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<tr>
<td><strong>ICAO (International Civil Aviation Organization):</strong></td>
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<tr>
<td>Special Conference on Multilateral Aviation Agreement</td>
<td>Geneva</td>
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<tr>
<td><strong>Statistics Division: First Session</strong></td>
<td>Montreal</td>
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<tr>
<td>Personnel Licensing Division</td>
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<tr>
<td><strong>FAO (Food and Agriculture Organization): First Session of the Council</strong></td>
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*November 2, 1947*
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<td>CFM (Council of Foreign Ministers):</td>
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<tr>
<td>Meeting of Deputies for Germany</td>
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<tr>
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<tr>
<td>Seventeenth Session of International Wheat Council</td>
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<tr>
<td>Inter-American Conference and Committee on Social Security</td>
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<tr>
<td>United Nations:</td>
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<td>ECE (Economic Commission for Europe):</td>
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<tr>
<td>Committee on Industry and Materials</td>
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<td>Committee on Coal</td>
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<tr>
<td>Third Session</td>
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<tr>
<td>Ecosoc (Economic and Social Council):</td>
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<tr>
<td>Subcommission on Employment and Economic Stability</td>
<td>Lake Success</td>
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<td>Subcommission on Economic Development</td>
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<td>Subcommission on Protection of Minorities and Prevention of Discrimination</td>
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<td>Human Rights Commission: Second Session</td>
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<td>Transport and Communications Commission</td>
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<td>Commission on the Status of Women</td>
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<td>Narcotic Drugs Supervisory Body: 29th Session</td>
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<td>WHO (World Health Organization):</td>
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<td>Committee on Administration and Finance</td>
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<td>Arts and Handicrafts Exhibition of American Elementary School Children</td>
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<td>Joint Maritime Commission</td>
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<td>103d Session of Governing Body</td>
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<td>Ninth Pan American Child Congress</td>
<td>Caracas</td>
<td>Jan. 5-</td>
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<td>Ninth International Conference of American States</td>
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<td>Meeting of International Council of American International Institute for the Protection of Childhood</td>
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<td>January</td>
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<tr>
<td>Meeting of Special Committee To Make Recommendations for the Coordination of Safety Activities in the Fields of Aviation, Meteorology, Shipping, and Telecommunications</td>
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THE RECORD OF THE WEEK

The Geneva Charter for World Trade

BY CLAIR WILCOX

A United Nations Conference on World Trade and Employment will convene in Habana, Cuba, on November 21, 1947. It will be the purpose of this conference to agree upon and recommend to governments a charter for an International Trade Organization. The first outline of such a charter was presented by the Government of the United States in its Proposals for Expansion of World Trade and Employment in December 1945, and the first draft of the charter was prepared by the United States and published in September 1946. At the suggestion of our Government, the United Nations in February 1946 established a committee of 18 nations to prepare for the world conference. This committee completed a second draft of the charter at London in November 1946, a third draft in New York in February 1947, and a fourth draft in Geneva in August 1947. It is this fourth, or Geneva, draft that the world conference in Habana will take as the basis of its work. As it stands today the charter is the product of two years of careful preparation in the United States and a full year of continuous international negotiation. No agreement in history has had fuller consideration or been written with greater care.

It is the central purpose of the charter to contribute to the improvement of living standards all around the world by promoting the expansion of international trade on a basis of multilateralism and nondiscrimination, by fostering stability in production and employment, and by encouraging the economic development of backward areas. Its substantive chapters, accordingly, set forth a series of international commitments with respect to national policies regarding tariffs, customs administration, hidden restrictions on trade, import and export quotas, exchange controls, preferences and other forms of discrimination, state trading, subsidies, restrictive business practices in international trade, intergovernmental commodity agreements, the international aspects of domestic employment policies, economic development, and international investment. Its remaining chapters outline the structure, functions, and procedures of the specialized agency of the United Nations that would be concerned with these matters—the International Trade Organization or, to make it short, the ITO.

Let us first summarize the major provisions of the charter as it stands today and then consider the character and the significance of the document as a whole.

1. Tariffs and Preferences. Members of the ITO must carry out negotiations directed toward the substantial reduction of tariffs. But if, through unforeseen developments, a particular reduction should increase imports so sharply as to cause or threaten serious injury to domestic producers, a member may suspend its operation in whole or in part.

Address delivered before the Boston Conference on Distribution, Boston, Mass., on Oct. 21, 1947, and released to the press on the same date. Mr. Wilcox is Director of the Office of International Trade Policy, Department of State.

Department of State publication 2411.
Department of State publication 3598.
Department of State publication 2728.
Not printed.
Department of State publication 2927.


November 2, 1947
Reductions in tariffs will operate to reduce or eliminate margins of preference. Aside from the preferences that may survive negotiation, each member must grant every other member equal treatment for its trade. No new preferences can be created. No existing preferences can be increased. An exception is made, however, for new preferential arrangements which are incidental to the establishment of a customs union.

2. Invisible Tariffs. Members must not nullify tariff cuts by employing restrictive methods of customs administration, by imposing discriminatory internal taxes or regulations, or by resorting to other hidden forms of protection. In the case of motion pictures the only restriction allowed is a requirement that a certain fraction of screen time must be devoted to the exhibition of domestic films. Such quotas are made negotiable and may thus be reduced through international agreement. Remaining screen time may not be allocated among foreign films but must be kept open to free competition.

3. Quota Systems. As a general rule quantitative limitations on exports and imports are forbidden. But this rule is qualified by a number of necessary exceptions. Quotas may be used until 1951 in distributing products in short supply, in maintaining price controls, and in liquidating government surpluses and war industries. They may be used temporarily to relieve critical shortages of foodstuffs and other essential goods. They may be used permanently to enforce standards for the classification and grading of commodities. Import quotas on agricultural and fisheries products may also be employed to supplement domestic production and marketing controls and surplus disposal programs if such quotas do not reduce the share of imports in the domestic market.

More important is a final exception, which permits a member to employ import quotas to the extent necessary to forestall the imminent threat of, or to stop, a serious decline in its monetary reserves or, in the case of a member with very low monetary reserves, to achieve a reasonable rate of increase in its reserves. Under this provision a member can select imports on the ground of essentiality. But it cannot completely exclude any class of goods. It must avoid unnecessary damage to the interests of other members. It must seek to restore equilibrium in its balance of payments on a sound and lasting basis and to assure an economic employment of productive resources. It must consult with the Iro concerning the effect of its restrictions on other countries, the causes of its monetary difficulties, and the ways in which they may be overcome. It must relax its quotas as its monetary position improves and eliminate them entirely when its difficulties disappear.

Any member may complain that another has failed to satisfy these conditions. If the Iro finds that the complaint is justified, it must recommend that the restrictions in question be withdrawn or modified. If the offending member does not comply with its recommendation, the Iro may then authorize other members to impose higher tariffs, quotas, or other restrictions on its trade. In all of its decisions in such cases the Iro must accept as conclusive the determinations of the International Monetary Fund as to the financial questions that are involved.

Where quotas are permitted they must be administered without discrimination. But there are also necessary exceptions to this rule. In the main these exceptions are designed to make the provisions of the charter consistent with the Articles of Agreement of the International Monetary Fund. The most important of them permits a member to discriminate in using quotas if it can thereby increase its total imports and safeguard its monetary reserves. But, in doing so, the member must satisfy strict criteria and, after March 1952, it must also obtain the prior approval of the Iro. The Iro may, at any time, order a member to discontinue discriminations that are inconsistent with these provisions and, whenever it finds that there is no longer a wide-spread disequilibrium in international trade, may completely suspend the operation of this exception to the general rule.

4. Exchange Controls. Since quantitative restrictions and exchange controls may be employed alternatively to affect the flow of trade, it is important that the rules that govern these two devices be laid down and administered with such consistency that it will be impossible, by resorting to one of them, to escape from the rules that govern the other. Accordingly, the charter provides that members shall not, by exchange action, frustrate the intent of the charter nor, by trade action, the intent of the Articles of Agreement of the International Monetary Fund. Members of the Iro who do not belong to the Fund are required to join
it or, failing this, to enter into a special exchange agreement with the Iro. Any such agreement would be established and administered in collaboration with the Fund.

5. State Trading. The rules that regulate state trading enterprises parallel those that govern public control of private trade. A member maintaining a state monopoly must declare the margin that it will add when it sells an imported product in its domestic market. It must negotiate with respect to the height of this margin in the same way in which members negotiate with respect to tariffs. It must satisfy the full domestic demand at the resulting price, imposing no other limit on the quantity it buys. It must act in a manner that is consistent with the general principle of most-favored-nation treatment, buying and selling on the basis of commercial considerations and affording the enterprises of other members adequate opportunity, in accordance with customary business practice, to compete for participation in its purchases and sales.

6. Subsidies. If a member pays any subsidy that increases exports or reduces imports, it must inform the Iro and must be prepared to discuss the possibility of limiting the subsidy at the request of any member who may be harmed. Direct subsidization of exports is forbidden, after two years, unless it is incidental to a stabilization plan that maintains domestic prices at a level that is sometimes above and sometimes below the level of prices in world markets, or unless it is permitted under an intergovernmental commodity agreement, or unless it is authorized by the Iro.

7. Restrictive Business Practices. Each member agrees to take all possible measures, by legislation or otherwise, to ensure, within its jurisdiction, that commercial enterprises, whether private or public, do not engage in practices which restrain competition, limit access to markets, or foster monopolistic control in international trade, whenever such practices interfere with the expansion of production or trade or the achievement of any other objective of the charter. Upon complaint by a member the Iro will make an investigation, hold hearings, and if it finds that the practices in question have such an effect, will request the members concerned to take every possible remedial action and may recommend remedial measures to be carried out in accordance with their respective laws and procedures.

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8. Commodity Agreements. Members agree substantially to limit their present freedom to enter into intergovernmental commodity agreements. Such agreements will be confined, in general, to primary commodities. They must be open to participation on equal terms by any member of the Iro. And they must be accompanied at every stage by full publicity. Agreements which regulate production, exports, imports, or prices are confined, moreover, to commodities produced under strictly specified conditions and to periods of burdensome surplus and wide-spread distress. They must be limited in duration and subject to periodic review. They must afford consuming countries and producing countries an equal voice. They must assure the availability of adequate supplies. They must provide increasing opportunities for satisfying world requirements from economic sources. And each country participating in such an agreement must adopt a program of economic adjustment designed to make a continuation of the agreement unnecessary. These rules do not prohibit commodity agreements; they do not promote them. They are designed to safeguard the interests of consumers, to force adjustment to changing conditions, and to facilitate the early restoration of free markets.

9. Employment. Each member agrees to take action designed to achieve and maintain full and productive employment and large and steadily growing demand within its own territory through measures appropriate to its political, economic, and social institutions. The nature of the action to be taken by any member is for it alone to choose. No member is asked to guarantee that its efforts will succeed; the commitment is simply that such efforts will be made. This commitment was taken by the Congress of the United States when it passed the Employment Act of 1946. And full employment, as the term is used in the charter, is defined in the words of that law.

Certain countries have been reluctant to enter into a freer trading system because they fear that such a system would make it more difficult for them to maintain their domestic employment programs. This might happen, for instance, if there were a persistent maladjustment in which one or more countries bought too little abroad and invested too little abroad in relation to their exports while others produced and sold too little abroad to bal-
ance their accounts. In such a situation the charter provides that all of the members concerned shall take action designed to correct the maladjustment. But the particular measures that are to be adopted by any member are for it alone to decide.

Adherence to liberal commercial policies would also be rendered difficult if a major trading country were to fall into a depression which would involve a serious or abrupt decline in its demand for imported goods. In this case, as in others, a member may ask to be relieved of certain obligations that it has assumed under the charter on the ground that the benefits accruing to it have been nullified or impaired. And the ITO, in considering this complaint, is directed to have regard to the need of members to take action to safeguard their economies against deflationary pressure.

10. Economic Development. Each member agrees to develop the resources of its own territory, to raise standards of productivity, and to cooperate with others, through international agencies, in promoting general economic development. Members exporting facilities required for development agree to impose no unreasonable impediments to their exportation, and members importing them agree to take no unreasonable action injurious to the interests of those who provide them. Upon request, the ITO may advise any member concerning its plans and programs for development and aid the member in obtaining technical advice and assistance.

Each of the less developed countries will make its own decisions as to the industries it wishes to promote. Where public assistance is required, it will be free to subsidize new industries. And where it has not included a commodity in a trade agreement, it will be free to impose new tariffs or raise existing ones. But in those cases in which a member desires to use some method of protection that it has promised not to use, that is, where it wishes to impose an import quota or to change the tariff status of a commodity to which the provisions of a trade agreement may apply, it must first obtain the permission of the ITO. In such cases the ITO will consult with those members whose trade would be affected and, with their agreement, may grant the developing country a limited release from the obligations that it had previously assumed. The charter thus establishes a new principle in international affairs: that import quotas are not to be employed, without international sanction, for the development of infant industries.

11. International Investment. The ITO has, among its purposes, encouragement of the international flow of capital for productive investment, and it is authorized to promote the elaboration and adoption of a general agreement or statement of principles as to the conduct, practices, and treatment of foreign investment. Members agree, subject to certain safeguards, to provide the widest opportunities for investment and the greatest security for existing and future investments. A member may exclude new investments from any or all sources. It may continue discriminatory measures already in effect. But in adopting future measures, it must treat one member as well as it treats another and foreign investors as well as it treats its own. It must not so change its rules as to discriminate against any investment once the investment has been made. If a member requires a transfer of ownership from foreign nationals to its own nationals, it must provide for the payment of just compensation. More definite provisions on the adequacy, promptness, and transferability of payment should be included in the future investment code. The present draft is to be regarded not as the final expression of international agreement on the treatment of private investment but as a foundation on which such agreement can be built.

12. Structure of the ITO. The ITO will have, as the basis of its organization, a conference of member states. Continuing administration of its affairs will be in the hands of an executive board of 15 to 18 members, a director general, and a staff. Certain functions will be delegated to a tariff committee, composed of member states who have already carried out negotiations for the reduction of barriers to trade, and to a small number of specialized commissions composed of technical experts. In financing the operation of the agency, no member can be required to contribute more than a third of the total cost.

The method of voting in the conference remains to be determined. The present draft of the charter presents four alternatives: unit voting, light-weighted voting, heavy-weighted voting, and a compromise proposal under which decisions on certain issues would require majorities in both a unit
vote and a weighted vote. The composition of the executive board is likewise unsettled. But any one of the alternatives presented in the present draft would assure a permanent seat to the United States.

13. Functions of the ITO. It will be the function of the ITO, through consultation among its members, to carry out the substantive provisions of the charter. In addition to this the agency will serve as an international center for information on matters affecting trade and as a source of advice and assistance to member governments. It will undertake to improve trade statistics. It will collect, analyze and publish data on exports, imports, balances of payments, prices, subsidies, customs regulations, and national commercial policies; on treaties and other agreements affecting trade; on conventions, laws, and procedures relating to restrictive business practices; on commodity problems and the operation of commodity agreements. It will develop and recommend standards for the grading of commodities, for commercial terms, for documentation, for tariff valuation, and for the simplification of procedures that act as obstacles to trade. It may draft modern international conventions and standard provisions for commercial treaties and recommend the conclusion of new agreements or the modification or termination of old agreements on commercial policy, restrictive business practices, commodities, economic development, and international investment.

14. Disputes and Enforcement. The Executive Board of the ITO will interpret the provisions of the charter, handing down rulings in the case of a dispute or, with the consent of the parties concerned, referring it to arbitration upon such terms as may be agreed. Members may appeal the rulings of the board to the conference and, on legal questions, may require the conference to request an advisory opinion from the International Court of Justice.

If the ITO determines, upon complaint, that a member has not lived up to its obligations under the charter, it may release the complaining member or members from corresponding obligations so that the balance of interest between the parties to the dispute may be restored. The offending member may thus be faced with higher tariffs, quotas, or other restrictions on its trade. This prospective loss of benefits should serve as a powerful deterrent to noncompliance. But the ITO will have the power to place such limits on retaliation that it cannot degenerate into economic war.

15. Relations with Nonmembers. The rules that are to govern the relations between members and nonmembers of the ITO are still to be determined. The present draft contains three alternatives. The first of these permits a member having heavy trade with nonmembers to suspend the application of any provision of the charter, requires it thereupon to afford other members an opportunity for consultation, and permits it, in the absence of agreement, to withdraw from the Organization. The other two alternatives forbid members to extend to nonmembers the benefits provided under the charter, unless specifically permitted to do so by the ITO. It is the purpose of the latter provisions to make membership attractive and nonmembership unattractive by confining the benefits of the charter to countries that are willing to accept its obligations.

The essential character of the charter is perfectly clear. It does not set up a supra-national agency. The ITO would have no powers—legislative, executive, or judicial—that would impinge upon the sovereignty of member states. The charter, like any other international agreements, contains commitments that limit the freedom of action of the signatory powers. But these commitments are limited. And they are assumed voluntarily. No nation need enter the ITO unless it believes that it would be to its advantage to do so. And no nation can be compelled to remain within the Organization if it feels that its interests would not be served.

The charter does not provide for global economic planning. It does not give the ITO any power whatsoever to determine what any country shall produce, or how much, or what it shall export, or how much, or to whom, or what it shall import, or how much, or from whom. Its whole purpose is not to multiply restrictions, but to minimize them; not to increase controls, but to reduce them. Instead of regimenting world trade, it seeks, through international agreement, to liberate trade from the forms of regimentation imposed on it by national governments.

Four criticisms of the charter were analyzed by Will Clayton, then Under Secretary of State for

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Economic Affairs, in a broadcast from Paris on September 10:

"First, it is said that the charter is idealistic. In one sense this is true. In another sense it is not. The charter is idealistic in that it establishes objectives toward which all countries can agree to work. It draws on the experience of the past, but it does not direct itself to the problems of the past. It sets up goals for the future, but it does not limit itself to provisions that can only work in normal times. It is concerned with the actual problems of the work-a-day world, and in this sense its idealism is tempered with a realism that is clearly practical.

"Second, it is said that the charter contains a great many exceptions, and this is true. But these exceptions are carefully defined. Many of them are temporary; all of them are limited in extent; and no nation will be able to use any of them unless it satisfies the conditions upon which all nations have agreed. If it were not for the exceptions, the charter would not be practical, and it is because it is practical that it can be expected to work.

"Third, it is said that the charter is a compromise. So it is, and so is almost every law that was ever passed by Congress or by the legislature of any state. So is every treaty between any two powers. So are the Charter of the United Nations and the constitutions of every international agency that has been established since the war. Compromise is a virtue, not a defect. It means that the charter will not be imposed by force, that it will not be rejected because it is one-sided but that it can be voluntarily accepted because it meets the needs of every country in the world.

"And finally, it is said that the charter is long and complicated, and this is true. It contains nine chapters, one hundred articles, and several thousand words. It is probably shorter than some acts of Congress; it is certainly simpler than the income tax law; but it is still long and complicated. It is complicated because the laws and regulations that govern international trade are complicated. It is complicated because it is realistic and practical, but the multitude of technical detail in the document serves only to emphasize the solid basis of agreement that has been achieved."

It is true, of course, that many of the nations that were stricken by the war have not yet recovered sufficiently to participate on equal terms in a world economy. It must be recognized, too, that the charter, in itself, cannot assure their recovery. Other measures are required, during the coming months of reconstruction, to rectify the fundamental imbalance that now exists in the world's trade. But it does not follow that the problem of long-run policy can safely be postponed until a happier day. If the nations of Europe are now to embark on an ambitious recovery program with extensive aid from the United States, we must all know where we are headed, and why. We must direct our efforts toward expansion in the production, distribution, and consumption of goods throughout the world. And, if these efforts are to succeed, we must obtain agreement, now, upon long-run policies that will reduce existing barriers to trade.

In this matter of international trade policy there are now two alternatives—and only two—before the world. The one is a situation in which every country, acting in its own interest and without regard for the interests of others, will maintain and increasingly impose detailed administrative regulations on its foreign trade. The other is a situation in which all countries, acting in their common interest, under the charter of the ITO, will voluntarily agree to keep such detailed regulations within narrow bounds. We might wish that economic and political relationships were not so complicated, that an easier solution to our problems were at hand. But if we are realistic we must recognize that this is the only choice we have. And since this is true it should not be a difficult choice for us to make.

Letters of Credence

Hungary

The newly appointed Minister of Hungary, Rustem Vámbéry, presented his credentials to the President on October 8, 1947. For texts of the Minister's remarks and the President's reply, see Department of State press release 806 of October 8.

Pakistan

The newly appointed Ambassador of Pakistan, M. A. H. Ispahani, presented his credentials to the President on October 8, 1947. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 807 of October 8.
THE RECORD OF THE WEEK

Czechoslovakia Extends Deadline for Filing Tax Returns

[Released to the press October 22]

The Department of State has been informed by the American Embassy at Praha that the October 31 deadline for filing returns in connection with the increase in property values and capital-levy tax has been extended to December 31, 1947.

Official announcement of the extension of the deadline was made on October 13 by the Czechoslovak Ministry of Finance. The increase in property values and capital-levy tax was contained in Czechoslovak law no. 134 of May 15, 1946.

Information available to the Department of State regarding other aspects of the law is contained in the Department’s announcement of November 8, 1946.1 The Department invites the attention of interested United States citizens to the possibility that failure to file tax returns might, among other things, be interpreted by the Czechoslovak Government as abandonment of claims against the Czechoslovak Government for compensation in certain property cases.

Maxwell M. Hamilton To Advise on Japanese Treaty Negotiations

Statement by Acting Secretary Lovett

[Released to the press October 22]

Mr. Maxwell M. Hamilton, American Minister to Finland, has been ordered to the Department for consultation in connection with prospective Japanese treaty negotiations. Mr. Hamilton is broadly experienced in Far Eastern affairs. He served at Far Eastern posts from 1920 to 1927. From 1927 to 1943 he served in the Department of State in the Division of Far Eastern Affairs, being Chief of the Division from 1937 to 1943. In 1943 he was assigned as Minister-Counselor of the American Embassy in Moscow. He was appointed United States Representative to Finland in December 1944 and became Minister to Finland following resumption of formal American-Finnish diplomatic relations at the end of August 1945.

It is expected that Mr. Hamilton will, when negotiations for a Japanese peace treaty are undertaken, serve as the Deputy of the Secretary of State in these negotiations.

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Report by General Wedemeyer Held Confidential

[Released to the press October 20]

It is being urged that the report made by General Wedemeyer on his return from the Far East in September be made public. The President in July sent General Wedemeyer to China and Korea as his personal representative to survey the situations in those countries. General Wedemeyer completed his mission in September, returned to this country, and submitted a confidential report of his findings to the President and Secretary of State. Much of the information in this report was obtained in confidence from high officials of the Chinese Government as well as from private individuals and our representatives in China and Korea. It therefore would be inadvisable, actually harmful, to the interests of the countries concerned, including the United States, to publicize such a document at this time.

India Announces Decontrol of Pepper Export

[Released to the press October 22]

The Departments of State and Agriculture announced on October 22 that they have received the following cable from the American Embassy at New Delhi:

“The Government of India announced decontrol of pepper export, effective October 18, 1947.”

The United States imported 35 million pounds of pepper in 1946, including 10 million pounds from India.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.


A discussion of the objectives of the American mission in Greece and the execution of the program. Appendices contain the exchanges of notes and the agreement between the two Governments.

1 BULLETIN of Nov. 17, 1946, p. 915. For a discussion of the nationalization program in Czechoslovakia see BULLETIN of Dec. 8, 1946, p. 1027.
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The Department of State Bulletin

Vol. XVII, No. 436 • Publication 2968

November 9, 1947

The Department of State Bulletin, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The Bulletin includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
The International Commission for the Establishment of the International Hylean Amazon Institute was convened at Belém (Pará), Brazil, on August 12, 1947, under the chairmanship of Fred L. Soper, Director of the Pan American Sanitary Bureau. Luiz Alayza Paz y Soldan, former Minister of Justice and Labor of Peru, was elected Vice Chairman. E. J. H. Corner, Chief of UNESCO's Hylean Amazon Project and Principal Field Scientific Officer for UNESCO in Latin America, served as Secretary General. Dr. Corner was assisted by Basile Malamos, Field Scientific Officer, UNESCO. Paulo de Perredo Carneiro, professor of chemistry, Polytechnic School, Rio de Janeiro, and permanent representative of Brazil to UNESCO, was elected Rapporteur General for the Commission.

At the General Conference of UNESCO in 1946 approval was given to the Brazilian proposal that an International Scientific Commission be set up in consultation with Brazil, Colombia, Ecuador, France, the Netherlands, Peru, Venezuela, the United Kingdom, and the United States to investigate on the spot all aspects of the question of the establishment of an International Hylean Amazon Institute, including both immediate and long-term plans, financial matters, and the formulation of a draft agreement between the cooperating governments and UNESCO. The second session of the Executive Board of UNESCO, which met in Paris in April 1947, resolved that the Institute should be organized as a multisection project to cover all fields of UNESCO's activities and raised the creation of the Hylean Amazon Institute to the position of fourth general project for the year 1947.

The countries represented by official delegates were as follows: Brazil, Colombia, Ecuador, France, Peru, the United Kingdom, the United States, and Venezuela. An observer from Bolivia attended all the sessions. Seven international organizations, including the Inter-American Institute of Tropical Agriculture, Pan American Sanitary Bureau, Pan American Union, UNESCO, Food and Agriculture Organization, and World Health Organization were represented by delegates. The Economic and Social Council of the United Nations, however, did not send a delegate. H. Floch, the Delegate from French Guiana, and Dr. Heesterman, the Delegate from the Netherlands, were unable to attend. The United States was represented by Remington Kellogg, Delegate, and Bassett Maguire, Alternate Delegate.

The Commission recognized that sustained development of the Hylean Amazon is impossible without accurate knowledge of the conditions and competent technical personnel working on the spot to apply this knowledge to the varied problems that have so far retarded economic progress in the region. Since the Hylean Amazon is one of...
the largest undeveloped areas in the world and extends over portions of six South American republics as well as the Guianas, it was hoped that some practical means could be found to promote research, to organize surveys, and to provide facilities for international cooperation. To provide this necessary coordination, the Commission recommended the establishment of an International Hylean Amazon Institute. It was considered desirable that studies in the natural sciences should be coupled with studies in the social sciences to contribute materially to the knowledge of human ecology, human welfare, and economic progress in the region. Consequently, the activities of the Institute should be directed toward problems of agriculture, forestry, fisheries, nutrition, education, utilization of natural products, and general economy. The practical implementation of projects recommended by the Institute should be the responsibility of the respective governments.

As regards organization the Commission recommended that the International Hylean Amazon Institute should be under the direction of a Council composed of (a) a representative from each of the following countries—Bolivia, Brazil, Colombia, Ecuador, France, Netherlands, Peru, United Kingdom, United States, and Venezuela; (b) a representative from each of the following international organizations—the United Nations, UNESCO, Food and Agriculture Organization, World Health Organization, International Labor Office, Pan American Union, and Pan American Sanitary Bureau; and (c) such technical advisers as may be necessary for the work of each representative.

This Council should meet at least once every year and have the power of nominating an executive committee and any other committees to carry out such of its duties as it might consider advisable. The nomination of members of the Council should be made to UNESCO by governments and international organizations. To assure continuity in its activities and to facilitate the studies of associate investigators who might come for varying periods of time, the International Hylean Amazon Institute should have a small permanent staff.

It was stipulated that the International Hylean Amazon Institute should function chiefly as a promoter of investigations in the natural sciences; the social sciences, including anthropology and education; nutrition; and the medical sciences; and that such studies should be carried out so far as practicable in collaboration with existing scientific organizations and institutions, both national and international.

The Commission expressed itself as favoring a meeting of the Council of the International Hylean Amazon Institute in 1948 to appoint the Executive Committee and a survey staff which should consist of at least five experts to cover the requirements of physical geography (including soil science), biology, social sciences, agriculture, and nutrition and which should continue the planning and initial investigations for (a) the establishment of headquarters for the Institute; (b) the programs for short- and long-term studies; (c) the requirements for maintenance and operation of the Institute; as well as (d) a financial forecast for the five years 1949–54. A tentative estimate amounting to $100,000 for this preliminary survey was approved.

The Commission recommended that the working centers of the International Hylean Amazon Institute should be distributed so far as practicable among the cooperating Amazonian countries and that assistance should be sought, as the occasion arises, to carry out and coordinate these plans. Among the centers given consideration are (a) the Museo Amazonense at Iquitos, Peru; (b) the Centro de Estudios Indigenistas at Porto Asis, Colombia; (c) the Pasteur Institute at Cayenne, French Guiana; (d) the forest reserve at Manaus, Brazil; (e) Cuiabá, Brazil; (f) the Federal Instituto Agronómico do Norte and the Museo Paraense Emilio Goeldi at Belém. Brazil has offered the collaboration of the Conselho de Geografia e Estatística do Brasil and the Serviço de Proteção aos Índios do Brasil.

In view of the complexities of the situation, no action was taken with reference to financial arrangements for the establishment of the International Hylean Amazon Institute. The Secretary General, Dr. Corner, was instructed to convey the findings of the Commission to the Second General Conference of UNESCO. The legal section of UNESCO has been requested to draft a form of agreement between UNESCO and the countries and international organizations cooperating in the establishment of the International Hylean Amazon Institute.

Department of State Bulletin
Second Meeting of the Caribbean Regional Communications Committee of the International Civil Aviation Organization

MEXICO CITY, AUGUST 18–29, 1947

The second meeting of the Caribbean Regional Communications Committee of the International Civil Aviation Organization (ICAO) was convened at Mexico City on August 18, 1947, to report on the progress of implementation of the recommendations of the Caribbean Regional Air Navigation Meeting (Washington, 1946) and to plan for further implementation.

The following ICAO member states, observers, and international organizations participated in the meeting: Argentina, Brazil, Canada, the Dominican Republic, Guatemala, Mexico, the Netherlands, the United Kingdom, the United States, Cuba, Panama, the International Air Transport Association, and the International Civil Aviation Organization.

The United States Delegation of aeronautical communications experts from government and industry was under the chairmanship of P. DeForrest McKeel of the Civil Aeronautics Administration and included Edwin L. White, Federal Communications Commission; Delos W. Rentzel, Aeronautical Radio, Inc.; H. S. Stokes and Harland E. Hall, Civil Aeronautics Administration; Lt. Cmdr. Benjamin F. Engel, U.S. Coast Guard; Virgil L. Clapp, U.S. Army Air Forces; and Arnold P. Eliot, Weather Bureau; with observers Maj. G. R. Charlton, U.S. Army Air Forces (Canal Zone); C. D. Ridgeway, Civil Aeronautics Administration; and E. T. Fridrich and Walter Weaver, Aeronautical Radio, Inc.

The agenda of the meeting was limited in scope to the immediate problem of providing for the Caribbean area an integrated communications system for use as and when required under uniform conditions and on an equitable and nondiscriminatory basis.

Agustín García López, Minister of Communications and Public Works of Mexico, was elected chairman of the meeting, and Group Capt. C. J. Campbell of Canada was elected vice chairman. The technical work of the meeting was handled in two subcommittees: (1) Facilities, with Lt. Col. Yurrita (Guatemala) as chairman and Edwin L. White (U.S.) as vice chairman; and (2) Procedures, with P. DeForrest McKeel (U.S.) as chairman and J. H. Olmedo (Mexico) as vice chairman.

A friendly spirit of cooperation prevailed throughout the meeting. It was evident that all delegations were intent upon arriving at an integrated communications system for the Caribbean region. It was recognized that the complete plan as recommended by the 1946 Caribbean Regional Air Navigation Meeting could not be realized at the present time, but a working system was the immediate goal. By January 1, 1948, the ultimate plan for the fixed communications system will be more nearly implemented in the western part of the Caribbean region than in the eastern part. This is largely due to more complete implementation by the United States Government and United States flag carriers through their associated companies of Aeronautical Radio. It will be necessary to continue the operation of a more or less heterogeneous group of fixed service facilities in the eastern Caribbean region to supply point-to-point communications until the ultimate plan can be realized.

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1 The first meeting of the Caribbean Regional Communications Committee was held in connection with the Caribbean Regional Air Navigation Meeting of the Provisional International Civil Aviation Organization, which met at Washington, Aug. 26–Sept. 12, 1946.
The basic air-ground communications system will be radiotelephone in accordance with the recommendations of the 1946 Caribbean Regional Air Navigation Meeting. The target date for implementation of this plan is January 1, 1948. For aircraft not equipped for radiotelephone communication, a limited system of radiotelegraph facilities has been provided. In addition to the frequencies available for use in the Caribbean region by groups of frequencies on a route basis normally used by, but not limited to, scheduled air carriers, a six-megacycle frequency is to be provided for use by private, itinerant, and nonscheduled aircraft.

The world-wide communications-procedures codes and abbreviations developed by the Second Session of the ICAO Communications Division (Montreal, 1946) and the regional supplementary communications procedures developed at this meeting will be implemented in the Caribbean region on January 1, 1948, concurrently with similar implementation in the South American and South Atlantic regions.

Radio Station WEK at New Orleans was designated as the broadcasting station for aeronautical meteorological data for the Caribbean region, with area collection centers at Mexico City; Balboa, Canal Zone; and San Juan, Puerto Rico.

Seventh International Congress of Administrative Sciences

BERN, SWITZERLAND, JULY 22–30, 1947

The Seventh International Congress of Administrative Sciences was held at Bern, Switzerland, July 22–30, 1947, at the call of the Swiss Government. The last Congress was held at Warsaw, July 9–16, 1936. The meetings scheduled for Berlin during 1939 were prevented by the war.

The seven congresses have been sponsored by the International Institute of Administrative Sciences, an intergovernmental organization established in 1906 to make studies, exchange information, and provide consultation services in the field of public administration. The work of the Institute was severely interrupted during the war in as much as its offices and files at Brussels were confiscated by the Nazis. The Institute is now undergoing reorganization aimed at equipping it to meet the needs of the postwar era. At present 18 or 19 governments are members.

Provision is made for accredited persons from countries which are not members of the Institute to participate both as individuals and through what are called national sections. No convention has been enacted which enables the United States to affiliate officially, but there has been for many years an active American section of the Institute. This section is headed at present by Leonard D. White, professor of public administration at the University of Chicago.

The secretary general of the Seventh International Congress of Administrative Sciences reported that 750 individuals were registered, representing the following 50 governments: Afghanistan, Argentina, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, Finland, France, Greece, Hungary, India, Iran, Iraq, Ireland, Italy, Lebanon, Lichtenstein, Luxembourg, Monaco, Netherlands, Nicaragua, Norway, Panama, Peru, Poland, Portugal, Rumania, Siam, Spain, Sweden, Switzerland, Syria, Tunisia, Turkey, Union of South Africa, United Kingdom, United States, Vatican City, and Yugoslavia. The United Nations, International Labor Office, United Nations Educational, Scientific and Cultural Organization, l'Union Internationale des Villes, and le Comité International de l'Organisation Scientifique were also represented. With certain exceptions, such as former enemy countries and Spain, invitations were sent to all governments to participate in the Congress. European members of the Institute provided the largest and strongest delegations, e.g., Belgium, Czechoslovakia, France, Netherlands, Poland, the Scandinavian countries, and Switzerland.

The delegations generally comprised persons drawn from a wide variety of administrative positions in their respective governments, with a good
sprinkling of representatives of provincial and local governments, universities, and organizations of public officials. A number of countries, particularly those of Latin America, were represented by diplomatic officers in the area. The United States Delegation, appointed by the Secretary of State with the approval of the President, consisted of the following members:

Donald C. Stone, Chairman, Assistant Director, Bureau of the Budget, Executive Office of the President
James V. Bennett, Director, Federal Bureau of Prisons, Department of Justice
Mrs. Esther Bromley, Commissioner, New York City Civil Service Commission
Rowland Egger, Bureau of Public Administration, University of Virginia
Herbert Emmerich, Executive Director, Public Administration Clearing House
Charles Hulten, Deputy Assistant Secretary of State for Administration
Edward A. Litchfield, Chief, Civil Affairs Division, Office of Military Government for Germany
Lt. Col. John D. Millett, Columbia University (temporarily on military assignment in Germany)
Simon Millner, Consultant, Office of International Trade, Department of Commerce
James B. Mitchell, Director, Civil Service Assembly of the United States and Canada

In addition 21 officials of the United States stationed in Germany attended the Congress.

Prior to the opening of the Congress itself, the officials of the Congress were elected at a meeting of the International Institute of Administrative Sciences. M. Deveze, Minister of State of Belgium and president of the Institute, served ex officio as president of the Congress, and the secretary general of the Institute, Edmond Lescir, served in that capacity. Donald C. Stone, chairman of the United States Delegation, was elected a vice president. Other vice presidents were drawn from Czechoslovakia, France, the Netherlands, Poland, and other countries.

The opening preliminary session, held in Parliament House, provided an opportunity for the review of developments since the last Congress, for the welcoming by the Swiss Government and responses, for an outline of program and hoped-for accomplishments of the Congress, and for expressions of interest by representatives of national delegations and of other international organizations. At this meeting Mr. Emmerich, who had been designated by UNESCO as its representative at the Congress, described the common interests of UNESCO and the Institute and the hope of UNESCO for close working relationships. Mr. Stone, speaking on behalf of the delegations generally, expressed appreciation to the Swiss Government for convening the Congress and pointed out how it could contribute to governments in dealing with certain urgent problems, namely: (a) administration of postwar reconstruction programs; (b) the need for equipping governments, national and local, with the administrative skill necessary to translate public policy into effective action; (c) the organization of governments to deal effectively through the U.N. and other international bodies and to carry out international agreements; and (d) the necessity of greater administrative talent in the U.N. and the specialized agencies. Other speakers were Mr. Etter, President of the Swiss Confederation; Mr. Wey, President of the Swiss National Council; Mr. Jaroszynski of Poland; and Oscar Leimgruber, Chancellor of the Swiss Confederation and president of the Organizing Committee of the Congress.

On successive days the Congress discussed the four general subjects described below. Representatives of various countries had been asked to prepare papers on each of these subjects based upon experience within their countries. These were circulated among delegates to the Congress. At each meeting a general rapporteur presented a summary of the reports as a preliminary to general discussion of the subjects.

(a) The postwar tasks incumbent on the state and their administration in the light of the experiences of World War II. The chairman of this session was René Cassin, Vice President of the Conseil d'État of France. The summary report, based on contributions from the different countries, was presented by Oscar Leimgruber, Chancellor of the Swiss Confederation. The American contribution on this subject was made by Herbert Emmerich, Executive Director of the Public Administration Clearing House.

(b) The head of the government and the organization of his department. The chairman of this session was Henri Puget of the Conseil d'État of France. The general rapporteur was Prof. L. Moureau of the University of Liège, Belgium. The American contribution on this subject

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1 Mr. Hulten was unable to attend.
was by Fritz Morstein Marx, Bureau of the Budget, Executive Office of the President.

(c) The participation of employees in the management of the central, regional, and local administration. The chairman of this session was Mr. Stone of the United States Delegation. The reporter was Albert Day, chairman of the staff of the National Whitley Council, Great Britain. The American contribution on this subject was by James B. Mitchell, Director of the Civil Service Assembly of the United States and Canada.

(d) The position of the regional and local authorities in their relations to the central authorities. The chairman of this session was G. A. van Poelje, Counselor of State, the Netherlands. The rapporteur was Henri Puget, Conseil d'État of France. The American contribution on this subject was by Rowland Egger of the University of Virginia.

At the closing session of the Congress, attention was focused primarily on the future activities of the International Institute of Administrative Sciences and the steps to be taken as a result of the deliberations of the Congress to further interchange of information and experience in the field of governmental administration—national, state, local, and international. In addition to remarks by representatives of the Swiss Government, addresses were made by:

Henri Puget, Conseil d'État of France
Gherbal abd el Latif, Undersecretary of State and Minister of Justice of Egypt
Mr. Dendies of the University of Athens
Emil Vinck, Secretary General of l'Union Internationale des Villes
Mr. Limpert, representing le Comité International de l'Organisation Scientifique
M. Deveze, retiring President of the Institute
Oscar Leimgruber, newly elected President

In the concluding talk Mr. Stone of the United States Delegation pointed out that not only must governments be made more competent technically but that the participants in the Institute and the Congress should help establish higher levels of integrity, tolerance, and moral purpose in government and increase the spirit as well as the processes of democracy.

There was great interest in administrative developments in the United States, and it was apparent that measures taken to improve the structure of the Federal Government and its internal management were being followed closely in many other places.

The committee work of the Congress was restricted almost entirely to the deliberations of the Resolutions Committee. Herbert Emmerich of the United States Delegation served as a member of the Committee and participated actively in discussion and in the drafting of the resolutions. The United States Delegation was opposed to the adoption of resolutions dealing with substantive issues under discussion, believing that the main value of the Congress was the exchange of ideas on these subjects. However, most of the delegates wished to have some official expression resulting from the Congress. The resolutions which were presented and accepted were never formally voted upon.

Perhaps the most significant accomplishment at the Congress was the completion of arrangements for the conduct by the International Institute jointly with l'Union Internationale des Villes and the International Federation of Housing and Town Planning of a project designed to lay out a plan for the interchange of governmental officials of different countries in order to provide them periods for observation of new administrative practices and for exchange of experience and views with other officials. Rowland Egger, a member of the United States Delegation, had been retained by UNESCO prior to the Congress to develop a contract under which the "Common Services" of the three organizations listed above (whose headquarters are at Brussels) would make the preliminary surveys. Through the good offices of the United States Delegation, agreement was reached regarding the plan to be carried out. Arrangements were made for Louis Camu, who served as chairman of the Royal Commission on Reorganization of the Belgian Government after the war, to undertake the project. Supplementary negotiations resulted in the Belgian Budget Ministry's making André Molitor available to assist M. Camu. The proposed contract, readjusted in the light of suggestions made at Bern, has now been signed by all parties.

Another accomplishment incidental to the Congress was the adoption by the International Institute of Administrative Sciences of revised statutes. The principal amendments agreed to included: (a) extension of the objects of the Institute to include
international administration and of the membership to include officials of international organizations; (b) increase in the membres titulaires for a single country to 35; (c) assignment of 10 votes to national sections at meetings of the General Assembly and the designation of two delegates to cast the votes; (d) the reconstitution of the Bureau of the Institute to consist of the president, not over 10 vice presidents, the secretary general, and the treasurer; (e) the holding of congresses every two years instead of three and the restriction to one term of the eligibility of the president for reelection; (f) the assessment of income at the rate of 140 Belgian francs per 100,000 inhabitants at value of the Belgian franc (approximately $0.04) on July 13, 1936 (assessments may be raised by the Bureau to 160 francs per 100,000 inhabitants; dues of collective members are 1,000 Belgian francs, of membres titulaires 100 Belgian francs, and of associated members 150 Belgian francs); and (g) modification of the statutes, subject to approval by the next General Assembly, in order to meet conditions imposed by nations in connection with ratification of an international convention.

Oscar Leimgruber was elected president of the Institute for the 1947–49 term. The following vice presidents, who, with President Leimgruber and Secretary General Lescir, will constitute the Bureau, were elected:

**ARGENTINA**: Rafael Bielsa, lawyer, Rosario de Santa Fe  
**BELGIUM**: Georges Dor, University of Liège  
**DENMARK**: Frants Hvass, Secretary General of the Ministry of Foreign Affairs, Copenhagen  
**FRANCE**: René Cassin, Vice President of the Conseil d'État, Paris (alternate, Henri Puget)  
**NETHERLANDS**: Gerrit A. van Poelje, Counselor of State, The Hague  
**POLAND**: Mauryey Jaroszynski, University of Warsaw  
**PORTUGAL**: Marcelo Castano, University of Lisbon  
**UNITED STATES**: Herbert Emmerich, Director of Public Administration Clearing House, Chicago

There were two places left unfilled at the disposition of the Bureau.

No place having been agreed upon for the next Congress, the matter was left to the Bureau of the Institute.

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**Current United Nations Documents: A Selected Bibliography**

**General Assembly**


**Security Council**


— No. 34, 127th Meeting, 9 April 1947. 13 pp. printed. [15¢.]

3 Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2900 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.
One of the items which has been brought to the attention of the General Assembly of the United Nations is the resolution adopted by the Thirtieth Session of the International Labor Conference on July 11, 1947, at Geneva, concerning freedom of association and protection of the right to organize and to bargain collectively. Transmittal of this resolution to the General Assembly resulted from the decision of the Economic and Social Council on August 8, 1947.

The statement of principles contained in this resolution takes on particular significance because of the affirmative support of the entire United States Delegation at the International Labor Conference, which included James David Zellerbach of the Crown-Zellerbach Corporation of San Francisco as employers' representative and the late Robert J. Watt of the American Federation of Labor as workers' representative, in addition to David A. Morse, then Assistant Secretary of Labor, and Elbert D. Thomas, Senator from Utah, who served as Government representatives. The resolution was drafted only after intense debate by members of the Government, employers', and workers' groups in the very representative committee of which Mr. Morse, who is now Under Secretary of Labor, had been unanimously elected as chairman.

However controversial the discussion had been, the committee's resolution obtained the unanimous approval of the Conference, which was attended by delegations from 48 of the 53 member states of the International Labor Organization.

RESOLUTION CONCERNING FREEDOM OF ASSOCIATION AND PROTECTION OF THE RIGHT TO ORGANISE AND TO BARGAIN COLLECTIVELY

WHEREAS the Preamble to the Constitution of the International Labour Organisation expressly declares "recognition of the principle of freedom of association" to be a means of improving conditions of labour and of establishing peace; and

WHEREAS the Declaration of Philadelphia reaffirms that "freedom of expression and of association are essential to sustained progress" and recognises the solemn obligation of the International Labour Organization to further among the nations of the world programmes which will achieve, among other things: "the effective recognition of the right of collective bargaining, the co-operation of management and labour in the continuous improvement of productive efficiency, and the collaboration of workers and employers in the preparation and application of social and economic measures"; and

WHEREAS it also affirms that the principles set forth in this Declaration are fully applicable to all peoples everywhere and that, while the manner of their application must be determined with due regard to the stage of social and economic development reached by each people, their progressive application to peoples who are still dependent, as well as to those who have already achieved self-government, is a matter of concern to the whole civilised world; and

WHEREAS standards of living, normal functioning of national economy and social and economic stability depend to a considerable degree on a properly organised system of industrial relations founded on the recognition of freedom of association; and

WHEREAS, moreover, in many countries, employers' and workers' organisations have been associ-
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ated with the preparation and application of economic and social measures; and

WHEREAS the International Labour Conference, the Regional Conferences of the American States Members of the International Labour Organisation and the various Industrial Committees have, in numerous Resolutions, called the attention of the States Members of the International Labour Organisation to the need for establishing an appropriate system of industrial relations founded on the guarantee of the principle of freedom of association.

The General Conference of the International Labour Organisation:

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Thirtieth Session on 19 June, 1947 adopts this 11th day of July of the year one thousand nine hundred and forty-seven, the following Resolution:

I. Freedom of Association

1. Employers and workers, without distinction whatsoever, should have the inviolable right to establish or join organisations of their own choosing without previous authorisation.

2. Employers' and workers' organisations should have the right to draw up their constitutions and rules, to organise their administration and activities and to formulate their programmes; there should be no interference on the part of the public authorities which would restrict this right or impede the organisations in the lawful exercise of this right.

3. Employers' and workers' organisations should not be liable to be dissolved or have their activities suspended by administrative authority.

4. Employers' and workers' organisations should have the right to establish federations and confederations as well as the right of affiliation with international organisations of employers and workers.

5. The guarantees defined in paragraphs 1, 2 and 3 herein with regard to the establishment, functioning, dissolution and suspension of employers' and workers' organisations should apply to federations and confederations of such organisations.

6. The acquisition of legal personality by employers' and workers' organisations should not be made subject to conditions of such a character as to restrict freedom of association as hereinbefore defined.

7. The acquisition and exercise of the rights as outlined in this part should not exempt the employers' and workers' organisations from their full share of responsibilities and obligations.

II. Protection of the right to organise and to bargain collectively

8. There should be agreement between organised employers and workers mutually to respect the exercise of the right of association.

9. (1) Where full and effective protection is not already afforded appropriate measures should be taken to enable guarantees to be provided for:

   (a) the exercise of the right of freedom of association without fear of intimidation, coercion or restraint from any source with the object of:

      (i) making the employment of the worker conditional on his not joining a trade union or on his withdrawing from a trade union of which he is a member;

      (ii) prejudicing a worker because he is a member or agent or official of a trade union;

      (iii) dismissing a worker because he is a member or agent or official of a trade union.

   (b) the exercise of the right of association by workers' organisations in such a way as to prevent any acts on the part of the employer or employers' organisations or their agents with the object of:

      (i) furthering the establishment of trade unions under the domination of employers;

      (ii) interfering with the formation or administration of a trade union or contributing financial or other support to it;

      (iii) refusing to give practical effect to the principles of trade union recognition and collective bargaining.

(2) It should be understood, however, that a provision in a freely concluded collective agreement making membership of a certain trade union a condition precedent to employment or a condition of continued employment does not fall within the terms of this Resolution.

10. Appropriate agencies should be established, if necessary, for the purpose of ensuring the protection of the right of association as defined in paragraph 9 herein.

November 9, 1947
U.S. Delegation to Second Session of UNESCO

[Released to the press October 28]

The Department of State announced on October 28 that the President had approved final composition of the United States Delegation to the Second Session of the General Conference of the United Nations Educational, Scientific and Cultural Organization at Mexico City from November 6 to December 3. The Delegation follows:

United States Representatives

William Benton, former Assistant Secretary of State, Chairman
Milton Eisenhower, Chairman, U.S. National Commission for UNESCO and Member of the Executive Board for UNESCO; President, Kansas State College of Agriculture and Applied Science, Manhattan, Kans., Vice Chairman
Laurence Duggan, Director, Institute of International Education, New York City
Reuben Gustavson, Chancellor, University of Nebraska, Lincoln, Nebr.
Helen White, Professor of English, University of Wisconsin, Madison, Wis.

Alternates

Detlev Bronk, Chairman, National Research Council, Washington
Charles S. Johnson, President, Fisk University, Nashville, Tenn.
George Stoddard, President, University of Illinois, Urbana, Ill.
Howard E. Wilson, Carnegie Endowment for International Peace, New York City
Louise Wright, Director, Chicago Council on Foreign Relations, Chicago

Advisers

Saxton Bradford, Deputy Director, UNESCO Relations Staff, Department of State
Esther C. Brunauer, Assistant Director, UNESCO Relations Staff, Department of State
William G. Carr, Associate Secretary, National Education Association of the U.S., Washington
Arthur H. Compton, Chancellor, Washington University, St. Louis
Samuel De Palma, Division of International Organization Affairs, Department of State
René d'Harnoncourt, Museum of Modern Art, New York City
Luther H. Evans, Librarian of Congress
Dorothy Fosdick, Office of European Affairs, Department of State
Lloyd A. Free, Special Assistant to the Director of the Office of Information and Educational Exchange, Department of State
Raymond H. Gelet, Counselor of Embassy, American Embassy, Mexico City
Monsignor Frederick Hochwalt, General Secretary, Department of Education, National Catholic Welfare Conference, Washington
Kenneth Holland, Assistant Director for Cultural Affairs, Office of Information and Educational Exchange, Department of State
Charles M. Hulten, Deputy Assistant Secretary of State for Administration
Walter Kotschnig, Chief, Division of International Organization Affairs, Department of State
Joseph Landis, President, American Federation of Teachers, Cleveland Heights, Ohio
Richard McKeon, Professor of Philosophy, University of Chicago; and U.S. Adviser on UNESCO Affairs, Paris
James Marshall, Member, Board of Education, New York City
Kendrick Marshall, Director, Division of International Educational Relations, U.S. Office of Education
Albert H. Rosenthal, Assistant Director, UNESCO Relations Staff, Department of State
Harold E. Snyder, Director, Commission for International Educational Reconstruction, Washington
S. Walter Washington, First Secretary, American Embassy, Mexico City

Secretary General and Adviser

Charles A. Thomson, Director, UNESCO Relations Staff; and Executive Secretary, U.S. National Commission for UNESCO, Department of State

Special Assistant to the Secretary General for Liaison

Morrill Cody, Cultural Officer, American Embassy, Mexico City

Press Relations Officer

Dorsey Gassaway Fisher, First Secretary, American Embassy, Mexico City

Public Liaison Officer

Donald Wilson, Division of Public Liaison, Department of State

Special Assistants to the Chairman

Forrest K. Geerken, Second Secretary, American Embassy, Mexico City
Kenneth Davis, Kansas State College of Agriculture and Applied Science, Manhattan, Kans.
Alice T. Curran, Office of the Assistant Secretary for Public Affairs, Department of State

Department of State Bulletin
Executive Secretary
Millard L. Kenestrick, Chief, Administrative Services Section, Division of International Conferences, Department of State

Technical Secretary
Herbert J. Abraham, Assistant Director, UNESCO Relations Staff, Department of State

Assistant Technical Secretaries
Henry E. Billingsley, Division of International Conferences, Department of State

Administrative and Fiscal Officer
Allen F. Manning, Division of International Conferences, Department of State

Administrative Liaison
William P. Hughes, Executive Officer, American Embassy, Mexico City

Documents Officer
Donald A. Bullard, UNESCO Relations Staff, Department of State

Delegations from 32 member nations will attend the Conference, which also marks UNESCO’s first anniversary as a specialized agency of the United Nations.

The General Conference will consider UNESCO’s proposed program for 1948, which has been given a new focus through a regrouping of its major aims into five broad categories. These include: (1) raising the standards of education, science, and culture; (2) the free flow of ideas; (3) education for international understanding; (4) man and the modern world, which is devoted principally to the study of tensions affecting international understanding; and (5) acting through governments and peoples, a section which will be devoted principally to budgetary and staff considerations.

Eight members of the United States Delegation are members of the United States National Commission for UNESCO, which at its recent conference in Chicago recommended to the Department of State that highest priority in 1948 be given to rebuilding the war-devastated schools, colleges, libraries, laboratories, and museums of the world. Emphasis on the free flow of ideas will include special attention to the interchange of students and teachers, a survey of the press, films, telecommunications, postal services, and plans for a world-wide radio network.

Other areas of discussion will feature the analysis of textbooks (including a study of those inimical to peace) and recommendations for four teachers’ seminars in different sections of the world to be modeled on the teachers’ seminar held as a pilot project in Paris last summer.

U. S. Delegation to Asian Conference of ILO

[U.S. Delegation to Asian Conference of ILO.

The President has approved the composition of a United States Observer Delegation to the Preparatory Asian Regional Conference of the International Labor Organization (ILO), as recommended by the Secretary of State in consultation with the Secretary of Labor, it was announced on October 27. This meeting is scheduled to open at New Delhi, India, on October 27, 1947, and will last until November 8. Representing the United States as observers will be Henry F. Grady, United States Ambassador to India, and William S. Tyson, Solicitor, Department of Labor, with Robert M. Carr, First Secretary, American Embassy, New Delhi, as an adviser.

This meeting will consider: (a) problems of social security; (b) labor policy in general, including enforcement; (c) the general economic background of social policy, including industrialization problems; and (d) a program of action for progressive enforcement of social standards embodied in ILO conventions and recommendations, but not yet applied in the individual countries of Asia.

The 99th Session of the Governing Body of the ILO (September 1946 at Montreal) approved the sending of a preliminary mission to visit India and other Asiatic countries for verification and amplification of material to be used as the basis of the work of the Preparatory Conference. This mission began its work at New Delhi on January 30, 1947, and its resultant reports will be considered by the Conference.

[Released to the press October 27]
THE RECORD OF THE WEEK

General Agreement on Tariffs and Trade Completed at Geneva

STATEMENT BY THE PRESIDENT

[Released to the press by the White House October 29]

The announcement today of the completion, among 23 nations at Geneva, of a general agreement on tariffs and trade is a landmark in the history of international economic relations. Never before have so many nations combined in such a sustained effort to lower barriers to trade. Never before have nations agreed upon action, on tariffs and preferences, so extensive in its coverage and so far-reaching in its effects. In a world economic situation characterized until now by progressive deterioration, this agreement is heartening indeed. Viewed against the background of other plans for economic reconstruction, it confirms the general acceptance of an expanding multilateral trading system as the goal of national policies. By demonstrating the willingness of nations to attack their common difficulties in a spirit of cooperation, it gives ground for confidence that we shall succeed in solving the problems that are still ahead.

REVIEW OF NEGOTIATIONS

[Released to the press October 29]

The Department of State announced on October 29 that the delegations to the International Trade Conference at Geneva have completed their negotiations and will sign the final act of the conference on October 30. This act authenticates the text of a general agreement on tariffs and trade among 23 countries, belonging to 16 customs areas, which carried on three quarters of the world's trade before the war. The agreement covers more than 45,000 items and accounts for two thirds of the trade among the countries in the group. It thus represents the most comprehensive action ever undertaken for the reduction of barriers to trade.

The countries participating in the negotiations leading to the agreement are Australia, the Belgium-Netherlands-Luxembourg Customs Union (Benelux), Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India and Pakistan, the Customs Union of Lebanon and Syria, New Zealand, Norway, the Union of South Africa, the United Kingdom together with Burma, Ceylon, and Southern Rhodesia, and the United States.

The agreement brings to a successful conclusion six months of continuous sessions at Geneva preceded by more than a year of intensive preparation both here and abroad. It incorporates the results of negotiations that were carried on simultaneously between 106 pairs of countries. The United States was a party to 15 of these negotiations. Under the terms of the agreement the concessions granted, not only in these cases but in the other 91 negotiations as well, will be extended, as a matter of right, to the United States.

The negotiations leading to the agreement were conducted on a selective, product-by-product basis. Action on individual products included substantial reductions in duties on some products, the binding of low rates of duty on others, and the binding of free entry on still others. Preferences affecting a large part of our trade with countries in the British Commonwealth have been substantially reduced, and preferences on a long list of products which we export to the various countries of the Commonwealth have been eliminated. Under the terms of the agreement, no new preferences can be created, and no existing preferences can be increased.

The concessions on tariffs and preferences contained in the agreement are safeguarded by general provisions that are designed to prevent participating countries from nullifying such concessions by resorting to other forms of restriction or discrimination. These provisions cover restrictive methods of customs administration, discriminatory internal taxes and regulations, import quota systems and exchange controls, and the operations of state-trading enterprises. They require the general application of the principle of most-favored-nation treatment in international trade.

Concessions made by the United States in these negotiations are within the limits prescribed by

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Congress in the Reciprocal Trade Agreements Act, and all of the concessions contained in the agreement are subject to a provision required by American procedure under that act. If through unforeseen developments a particular tariff reduction should increase imports so sharply as to cause or threaten serious injury to domestic producers, the country granting the reduction may suspend its operation in whole or in part. Other countries may then withdraw equivalent concessions so that the balance of the agreement may be restored.

The details of the agreement will not be made public until it has been formally transmitted to the governments of the countries concerned, translated into languages other than the official versions in English and French, and checked for accuracy. They will then be released simultaneously by the United Nations and in the 23 capitals.

The tentative schedule for action on the agreement is as follows: A protocol of provisional application has been opened for signature by participating countries. If this protocol has been signed by the key countries in the group (Australia, Benelux, Canada, France, the United Kingdom, and the United States) by November 15, the agreement will be published on November 18, and the tariff concessions which it contains will be put into effect by these countries on January 1, 1948, together with all of its general provisions that can be made operative under existing laws. The agreement will finally become effective for each of the participating countries when it files a formal instrument of acceptance with the United Nations by June 30, 1948.

On August 22 the delegates at Geneva, sitting as a United Nations Preparatory Committee, completed a draft charter for an International Trade Organization for submission to a United Nations Conference on Trade and Employment which will convene at Habana, Cuba, on November 21. A central provision of this charter requires members of the ITO to negotiate for the reduction of barriers to trade. The successful completion of the general agreement on tariffs and trade removes all doubt concerning the workability of that provision. As regards their trade with each other, which constitutes the great bulk of the world's trade, the members of the Preparatory Committee have already fulfilled their obligation. The Habana conference will therefore open with progress in tariff reduction an accomplished fact. The other countries of the world, on joining the ITO, will then assume an obligation to take similar action with respect to their own tariffs. The conclusion of the Geneva negotiations is thus a major step on the road toward a still more comprehensive agreement for the reduction of barriers to trade.

Government Policy and International Trade

BY ASSISTANT SECRETARY THORP

For any country and at any given period of time foreign policy tends to be a reflection of domestic policy—an effort to extend the domestic scene to the foreign field. Thus American economic foreign policy is greatly affected by the character of our own economy. We start quite naturally with the proposition that the same system of trading which has created our great productive machine, built up the United States market, and given us such a high standard of living should be our objective in our economic foreign policy.

Our economy is still essentially one of private property and individual initiative. At times we hear individual businessmen grumble that the Government is running their enterprises, but the basic fact is that, by and large, the businessman, farmer, trader, and consumer still have their freedom of operation. We have pursued monopolies and restraints of trade for over 50 years, though I must admit that the speed of pursuit has been somewhat erratic. We have added to the rules of the game from time to time and occasionally change the rules without very much notice. We set up elaborate and necessary controls during the war, and we moved to clear them away as quickly as possible as soon as the war was over. The basic fact remains that the Government is not operating our economy and that we still regard direct Govern-

November 9, 1947

[Address delivered before the League of Women Voters, New York, N. Y., on Oct. 27, 1947, and released to the press on the same date. Willard L. Thorp is Assistant Secretary of State for economic affairs.]
ment interference as the exception rather than the rule.

This attitude is reflected in our foreign policy. Traditionally, it is the American belief and experience that foreign trade and commerce are also carried on most efficiently and reach their highest levels when conducted by private businessmen. It is not surprising that we believe that the most efficient pattern of international trade is one in which the major decisions are made not by governments but by private buyers and sellers, under conditions of active competition and with proper safeguards against the establishment of monopolies and cartels. Under such a system, just as in the domestic economy, buyers make their purchases and sellers make their sales at whatever time and place and in whatever quantities they choose, relying for guidance on whatever prices the market may afford. Therefore, the American tradition is for particular transactions in international trade to be carried on through private channels.

I must note at once that there are many permanent exceptions to this rule, and other more temporary exceptions made necessary by some special situation. As a permanent exception I might note traffic in narcotics and in munitions. As a temporary case I might cite the fact that the war emergency compelled many countries, including the United States, to resort to close control of international commerce because of the comparatively limited supply of basic commodities. Right now in the United States, more than two years after the war, about 600 commodities are still under export control, including such critical items as food, feeds, fertilizer, coal, petroleum, and steel. While these trade controls ordinarily are contrary to the principles of our commercial policy, they are necessary in order to insure an equitable distribution of those items in short world supply; to prevent an undue impact on our domestic economy; and to direct exports to areas of greatest need. The support which these export controls give to our foreign policy at this critical time cannot be overestimated.

There is one reason why foreign economic policy is even less simple a matter than domestic economic policy—that one end of each transaction, either the buyer or seller, is by definition in some other country. It is within our power to define the economic pattern so far as the American participant is concerned, but we cannot legislate the full scheme of things for the foreign buyer or seller. The result is that it is a responsibility of the United States Government to work out some general basis of understanding with the other country which will define the character of the economic environment in which business is done and the extent to which the respective governments shall exercise controls or erect barriers to trade. Traditionally such problems have been dealt with bilaterally, by pairs of countries. Our own arrangements come chiefly under the heading of reciprocal trade agreements and commercial treaties. The Trade Agreements Act has been the economic cornerstone of the United States foreign policy for more than 12 years. Within certain limits set by Congress, these agreements define tariff and other conditions of trade between the two countries. Since the act was passed at a time when the United States tariff and barriers in other countries were both extremely high, the agreements have generally involved mutual reduction of barriers after careful negotiation. Furthermore, they establish certain rules and principles, deviations from which may be made only after consultation between the countries. These agreements have helped to expand United States foreign trade, to increase employment, and to cement friendly relations with other countries throughout the world.

The trade-agreements program is simply a means by which we and foreign countries agree to the reciprocal relaxation of governmental restrictions on both sides, thus promoting trade in both directions to the benefit of producers and consumers in both countries. This expanded two-way trade results in a net gain in production, consumption, and employment in both countries, which stimulates economic activity throughout their economies.

The trade-agreements program is a hardheaded, practical program because it recognizes the unyielding fact that trade, in order to move at all, must move in both directions. In the long run we cannot export unless we import. Other countries cannot buy our goods and services unless we buy their goods and services. Both of us must buy and sell in order to keep our factories going, our farms operating, our workers employed, and our consumers supplied.

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While the trade agreement is concerned primarily with barriers to the flow of goods in international commerce, the commercial treaty—or treaty of friendship, commerce, and navigation-deals largely with persons and with other instrumentalities of international economic operation, by means of which the flow of goods and services is carried on. It determines the basic rights of American citizens and corporations, American goods, and American ships in some foreign country.

Conditions existing throughout a large part of the world at the present time make the modernization and the extension of our commercial treaty structure a matter of considerable urgency. Large portions of the world have been in a state of anarchy and chaos for a decade. Nowhere has the resulting dislocation been more serious than in those institutions, channels, and practices affecting international economic affairs. Both the letter and spirit of international law have been flouted, and treaties have been broken deliberately and boldly. In some areas the inhabitants have the belief that their past misery has been primarily caused by foreigners and therefore are disposed to show little sympathy with or respect for foreign property or foreign personnel. The problem is complicated by the fact that new types and forms of economic patterns are emerging in various countries, so the problem of the proper place and treatment of foreign capital and foreign persons takes on a new difficulty unless clearly recognized rules are established.

Considerations of public interest require that the American Government contribute in every way possible to the restoration of respect for law and orderly processes in domestic as well as international transactions of every country. One approach is the systematic recording in treaty form of those mutually acceptable general principles that can be counted on to promote stability in economic affairs.

At the present time the Department of State has a program vigorously under way for modernizing and extending the coverage of our commercial treaties. There are now in effect some 25 relatively comprehensive commercial treaties, about a score of others the subject matter of which is somewhat limited, and an approximately equal number of Executive agreements, exclusive of the agreements with 28 countries concluded under the provisions of the Trade Agreements Act of 1934, relating to more specific problems on the same general subject matter. Nevertheless, we are without such contractual bases for our economic and commercial relations with a considerable number of the more important trading countries.

At this moment the Department has in the planning, drafting, or discussion stage about 20 projects for new comprehensive commercial treaties. In the case of China, negotiations have been completed and the proposed treaty is now before the Senate for ratification.

While it is true that the greatest number of international problems are still bilateral in character, as indicated by the constant flow of diplomatic notes, aide-mémoires, memoranda, and ambassadorial conversations which pass between governments, there is a strong tendency to deal with our present-day problems on a multi-national basis so far as possible. For almost the first hundred years of its existence, the United States entered into no multilateral treaties, agreements, or conventions whatsoever. However, it is not surprising that this approach should have come so strongly to the fore at this particular time. The world has been growing smaller at an extremely rapid rate, while the necessary arrangements for economic activity have become increasingly complex. Different bilateral arrangements on the same subject by any one country with several others make for great administrative confusion at home. But the basic reason is not administrative. Many of these economic situations are interlocking. Trade may be triangular or quadrilateral. Certainly financial currents flow back and forward.

Added to the inherent complexities of trade negotiations is the fact that World War II left the world economic and trade situation in a chaotic condition. Many of the nations most important in United States foreign trade suffered devastation of their industry and agriculture or wholesale conversion to war purposes. Their capital structures were wrecked, their manpower reduced, and their assets destroyed. Their people are cold, hungry, and disillusioned. These many difficulties, particularly those in the economic field, have led countries to take whatever kinds of extraordinary measures the traffic will bear. These vary from the operation of internal relief programs to
the taking over of sections of industry for direct governmental control through the process of nationalization. Unusual fiscal measures are seized upon in an effort to prevent runaway inflation, and in the field of foreign economic relationships most countries are now exercising controls through quota systems over the type of goods to be moved and, through foreign exchange, control over the process of international payments.

It is inevitable that many of these controls should be essentially restrictive. They arise because of the necessity for allocation to the most essential use of some short facility or material. When a number of countries all adopt restrictive measures, trade among them is established at a minimum. In fact, it must then be carried on by the awkward procedure of bilateral barter agreements under which arrangements are made for the exchange of specific quantities of specific goods. Obviously, such a way of carrying on trade is certain to fail to uncover most of the opportunities for working out transactions in the interest of all concerned, and it makes all trade dependent upon arrangements made by governments rather than businessmen. Such trade controls involve arbitrary government decisions, quotas on imports, license applications, and endless supervision and bureaucracy.

This is a general situation calling for general treatment. No single country can deal with it by itself. Even those countries which have tried to avoid raising new trade barriers have found uncontrolled trade leading to the exhaustion of their supplies of convertible currencies and hard monetary reserves and the substitution of nonconvertible currencies which could not be spent.

Also, each country is limited by its uncertainty as to the policies of other countries. No country in Europe, for example, can plan very far ahead because of the uncertainty as to what its neighbors will do. Many problems can be dealt with on a multi-national basis where single countries or countries working bilaterally are quite helpless because of their dependence upon other areas.

Even before the war the trade situation had deteriorated badly. The rising trade barriers of the twenties had been reinforced by the steps taken to protect the various currencies after the breakdown of the gold standard in 1931. The postwar economic program of the United States included a multi-national attack on those problems. I shall not discuss the important part which the International Monetary Fund is intended to play in reducing the monetary difficulties in international trade. The multi-national trade program had its inception in November 1945, when the United States published its Proposals for Expansion of World Trade and Employment, which suggested the establishment of an International Trade Organization and the adoption of a charter or code of principles under which international commerce could expand, multilaterally and on a nondiscriminatory basis, with the fewest possible restrictions and with resulting increases in employment and production and higher living standards throughout the world.

The Geneva meeting, which opened April 10 and is now near its end, is the result of that initiative on the part of the United States Government in late 1945. It represents an achievement of the first magnitude in international economic affairs. Representatives of 19 countries have negotiated scores of agreements to reduce tariffs and have written a next-to-final draft of the charter which will govern a large part of the economic relations of member nations. The Habana meeting—the United Nations Conference on Trade and Employment—scheduled to meet November 21 to draft the final version of the ITO charter, will be the culmination of two years of hard work devoted to achieving an economic foundation for world peace and security.

The charter provides both the principles and the procedures for the reduction or elimination of barriers to trade. One can feel greatly encouraged by the fact that it is not merely a prospectus of wishful thinking for the future. At Geneva definite action implementing the principles has been a basic part of the negotiations. In the years between the two wars, there were a number of international conferences where agreement was reached on principles in this field, but unfortunately national action often seemed to disregard and even contradict these principles.

It would not be proper for me to describe at this time the details of the many new trade agreements which were negotiated at Geneva in accordance with the charter's principles. There were periods during the conference when the reports

*1 Department of State publication 2411.
from our negotiators were most discouraging. But now that the negotiations are completed, I can say that the results are far beyond our hopes. They are a definite and clear demonstration that the charter is not merely words on paper expressing pious hopes—that the nations represented at Geneva were willing to put its principles into effect.

It is not enough, however, to establish the International Monetary Fund and the International Trade Organization, and then sit back and say that the necessary multi-national machinery has been set up for the expansion of trade and employment. The extraordinary character of trade restrictions today is due primarily to the critical economic situation in so many countries. And that stems in turn from the fundamental condition of economic scarcity in the world. Nations cannot afford to allow their products to be exported freely, and they must husband the purchasing power obtained therefrom for the most needed imports. With most of the currencies of the world unconvertible, there is no way of settling trade balances except directly, which means barter trade with money used only as a unit of account and not as a medium of exchange.

At the suggestion of the United States, something new has been added as an attack on the problem of economic recovery—the Committee of European Economic Co-operation. The Paris report, prepared by this Committee, is a blueprint for European recovery in four years, based upon the joint production, financial, and trade efforts of 16 countries, supplemented by assistance from the United States. The European recovery program and the trade charter are not alternatives for each other; they are complementary. The principles of trade expansion expressed in the charter can operate most effectively in a world where currencies are stable and trade is reasonably within balance. A successful recovery plan for Europe will bring about these conditions. Without such recovery, restrictions and controls will have to be continued for many years in the future and will be increasingly difficult to dislodge. On the other hand, the Paris report itself recognizes that European recovery can be achieved and maintained only if the existing net of trade restrictions is removed and trade is permitted to expand. In other words, each program requires the other, and failure to complete either program will delay and even threaten the ultimate success of the other.

These matters about which I have been talking are not merely interesting material for a speech—they are very serious matters in the world of action. The way in which each is handled starts various forms of chain reaction through our economy and presumably that of at least one other country. Our action or failure to act may determine whether ladies in New York can buy silk dresses or not; it may determine whether children in Italy will have enough food to prevent disease and starvation or not; it may lead in the direction of world peace, or it may provoke the forces of aggression.

Our decisions are important because by any economic measuring rod the United States is the greatest nation in the world today. In terms of wealth and productivity we probably are equal to all the other countries of the world put together. I do not say this to boast, though I do believe that we have something of which we can be intensely proud. One need not apologize for the odd and minor inefficiencies of our democratic system under such circumstances. We are not on the defensive. We can back up our economic principles with a very real and tangible demonstration—a rate of production of goods and services of about 200 billion dollars per year. That is real achievement.

But with such a record must go also a tremendous responsibility. The actions of no other country are as important in shaping the world of the future as the United States. We have no choice in this matter. In any given situation we must act or not act—and either action or inaction has its consequences. We have leadership thrust upon us, and there is no escaping, even if we would.

A leader refuses to lead only for two reasons—one, that he is tired, or two, that he is confused and doesn't know where to go. Certainly, the United States is no exhausted country, an effete civilization starting on its decline and fall. Look at our war production record, or look at our contributions to new postwar international organizations.

Do we know where we want to go? I believe that we do have a fairly clear concept of the kind of world we wish to see emerge from the World War ruins. “The Four Freedoms” is one way of saying
it. We believe in the protection of the rights of the individual in the political sphere and individual initiative in the economic.

As I said at the outset, for all countries foreign policy tends to reflect the values and objectives which are expressed in domestic policy. If we have real convictions about the basic fundamentals upon which the United States is built, then we will have convictions in our foreign policy. And we should rejoice in the opportunity which has come to us to play such an important role in shaping the world of the future.

Consider for a moment what the state of the world would have been today if the atomic bomb had been developed simultaneously in Germany and that before our victory the industrial area from Pittsburgh to Chicago had been laid in ruins. I shall not endeavor to describe what this would have meant for us—but for the rest of the world it would have been absolute tragedy. There would have been no possibility of world economic recovery even to prewar levels in less than decades. Disease and starvation would have carried away millions who are alive today.

There was destruction, but not here. There was starvation, but not here. I say that we have a great responsibility and a great opportunity. May we live up to them both.

American Mission on Science and Technology
To Be Established in London

Statement by the Assistant to the President

[Released to the press jointly by the White House and the Department of State October 30]

A mission on science and technology will shortly be established in the United States Embassy in London. The mission will consist of a small staff of scientists and engineers, headed by Earl A. Evans, Jr., chairman of the department of biochemistry, University of Chicago. The activities of the mission will cover the fields of organic chemistry, biochemistry, physics, engineering, biology, and agronomy, and the personnel will be assigned for short-term periods on a rotating basis.

The principal duty of the mission will be to supply to interested persons and agencies in Great Britain information concerning current developments in science and technology in this country, and to acquire for distribution to interested Government agencies and scientific societies in the United States similar information developed in Great Britain.

The mission is charged with the following specific duties:

1. Aiding and facilitating the exchange of scientific personnel and information between the United States and Great Britain;
2. Developing and maintaining close personal contact with British governmental agencies and other research institutions in the United Kingdom;
3. Answering inquiries originating with United States Government departments and scientific agencies in the United States with respect to particular developments in Great Britain;
4. Stimulating the exchange of scientific and technical reports, especially where these are not generally available through usual channels. The results of the mission's work will be furnished to interested Government agencies and to scientific and engineering societies in the United States for further dissemination to the whole scientific and engineering community.

Text of letter to Herbert Morrison, Lord President
of the Council, London

October 30, 1947

Dear Mr. Morrison: Some months ago the President of the United States asked me to report to him on various aspects of the scientific research effort of this Nation, including methods of stimulating scientific research and improving the dissemination of scientific knowledge. Recently, I submitted my findings in a series of five reports, entitled "Science and Public Policy". Volume one of these reports, containing a summary of my findings, conclusions, and recommendations, is enclosed.

One of the principal recommendations of this report was that the channels for the interchange of scientific knowledge and technical advances be expanded and improved, and that our Government take positive steps toward that end.

Department of State Bulletin

John R. Steelman.
Your Government has made considerable progress in expanding the channels of scientific communication through the maintenance of the British Commonwealth Scientific Office in the United States. We believe it desirable to improve our scientific interchange even further by establishing a similar staff in our Embassy in London, to which our Government will assign distinguished scientists from this country.

An exchange of ideas and information, in accordance with the freedom that has always characterized the relations between scientists in our two countries, should result in substantial benefits not only to specialists in the field of science, medicine, and engineering, but to all citizens in both our Nations.

As we gain experience from the work of this Mission in Great Britain, we hope to be able to undertake similar activities in other countries, in the firm conviction that the increase of knowledge through the sciences is one of the goals of all free peoples.

Sincerely,

JOHN R. STEELMAN

Coffee Pulp Used as Corn Substitute for Cattle Feed

[Released to the press November 1]

A corn-substitute cattle feed for milk production has been developed from the waste pulp of the coffee bean through the cooperative effort of agricultural technicians of the United States and El Salvador, according to a joint announcement by the U.S. Departments of State and Agriculture.

Tests under specific conditions at the agricultural cooperative station, Centro Nacional de Agronomía, in El Salvador have shown that coffee pulp can be substituted, pound for pound, for corn as cattle feed for milk production. The discovery is considered important to the economy of the coffee-producing countries of the Americas and internationally noteworthy in view of the worldwide shortage of corn and other feed grains.

Centro Nacional de Agronomía is one of a number of cooperative agricultural stations operating in other American countries with United States assistance as a part of this country’s program of scientific, technical, and cultural cooperation with other Western Hemisphere republics. These stations operate as a part of the long-term cooperative program carried out by the Department of Agriculture under the auspices of the Department of State.

Coffee pulp is the fleshy covering of the coffee bean and is largely a waste product. Although it has a limited use as fertilizer its disposal is usually a problem.

In recent years the potential value of coffee pulp as a feed has been recognized by Felix Choussy, of the Institute Tecnologico of El Salvador, and by R. L. Squibb, formerly of the Inter-American Institute of Agricultural Science, both of whom have conducted trials relating to its use as silage.

Technicians of El Salvador and the U.S. Department of Agriculture, working cooperatively, first tested coffee pulp’s digestibility value on goats and its nutritional value on dairy cattle. It has been found, according to the Department of Agriculture’s Office of Foreign Agricultural Relations, which administers this country’s program of international collaboration in agriculture, that the digestibility of dried coffee pulp approaches that of corn, and, while its palatability when fed alone is unsatisfactory, this is of secondary importance when it is used as a ration component. Mixture with dried banana leaves, molasses, or other feed-stuff materially increases the palatability of the dried pulp so that animals will readily consume it.

Studies regarding the substitution of dried coffee pulp for corn in the ration of milk cows were conducted in El Salvador by Samuel H. Work, of Chicago, Office of Foreign Agricultural Relations specialist, Mario Leyva van Severen, chemist, and Luis Escalon, dairy technician. N. E. Winters, director, Centro Nacional de Agronomía, formerly of Stillwater, Oklahoma, is now in Washington conferring with agricultural officials regarding the experiments.

Additional tests are to be made relative to the feed value of coffee pulp and will include studies regarding its possible use as feed for poultry and other animals. Some of these tests will be made at the U.S. Department of Agriculture’s research
center at Beltsville, Maryland, and others at various state experiment stations. An air shipment of 100 pounds of pulp has been consigned to Beltsville and will be followed by a one-ton water shipment.

It is estimated that if all the available coffee pulp of the coffee-producing countries of the Western Hemisphere were converted into feed, it would be the approximate equivalent of 34,000,000 bushels of corn in feed value. This is a little more than 1 percent of the average 1943–47 United States corn production.

The process by which coffee pulp is converted into feed is described as relatively simple and economically practicable.

Greece Adopts New Procedure To Handle Foreign-Exchange Transactions

[Released to the press October 29]

The Department of State announced on October 29 that additional details have been received on the operation of a new procedure adopted by the Greek Government to handle foreign-exchange transactions. The purpose of this procedure is to overcome handicaps on the Greek export trade caused by overvaluation of the drachma in relation to foreign currencies.

Greek officials informed the State Department that the Bank of Greece is issuing fully negotiable exchange certificates on the following basis:

The exporter of a Greek product is required under current regulations to turn over his foreign exchange, dollars, pounds, francs, or other currency, as the case may be, to the Bank of Greece. In exchange for his foreign currency he receives drachmas at the rate of 5,000 drachmas to the dollar, 20,000 drachmas to the pound, et cetera. In addition he receives from the bank a certificate entitling bearer to repurchase dollars, pounds, or other currency at the same rate of exchange.

It is anticipated that all importers in Greece will be required to present such certificates at the Bank of Greece in order to obtain the necessary exchange to pay for duly licensed imports. A market in certificates has already been established by the play of supply and demand, and the Department understands that the current price of certificates entitling bearer to purchase one dollar for 5,000 drachmas is approximately 3,000 drachmas.

It is understood that sterling certificates are selling for less than 12,000 drachmas a pound sterling. Prices of certificates for the various foreign currencies are determined by the supply of and the demand for those currencies resulting from import and export transactions.

Time Limit for Filing American Claims for War Damage in the Netherlands

[Released to the press October 30]

The Department of State announced on August 7, 1947, that the Netherlands Government had extended the benefits of its war-damage compensation legislation to American nationals on a basis of equality with Netherlands nationals. The Department has now been advised that damage must be reported before March 1, 1948, to the Commissariaat voor Oorlogsschade, Stadhouderslaan 130, te ’s-Gravenhage (Commission for War Damages, Stadhouderslaan 130, The Hague) or to local Schade Enquete Commissies (War Damage Investigation Commissions).

Forms for reporting damage may be obtained from the Commissariaat. If registrations of damage have been previously submitted, no resubmission or additional information is required unless requested in individual cases.

A resolution of the Netherlands Minister for Finance dated September 10, 1947, and published in the Nederlandsche Staatscourant (Netherlands Gazette) of September 11, 1947, No. 175, declares that American nationals are entitled to the same benefits as Netherlands nationals for damage which, as a direct result of acts of war, of actions or measures of the enemy, or of wartime conditions, has been inflicted within the Netherlands on real property, on household goods, and on personal property which belongs to an enterprise or is used in carrying on an occupation. Canadian and Australian nationals have also been declared eligible for compensation benefits. Legal persons are eligible for benefits if the combined interests of Netherlands, American, Canadian, and Australian nationals represent at least 50 percent either in the distribution of the capital stock or in the exercise of control. The date to be used in determining whether a property owner is of the requisite nationality is the date of the occurrence of the damage.
Radotelegraph Circuit Opened Between Rome and New York

EXCHANGE OF NOTES BETWEEN THE PRESIDENT AND THE ITALIAN PRESIDENT OF THE COUNCIL OF MINISTERS

[Released to the press October 31]
Texts of messages exchanged between Prime Minister de Gasperi of Italy and President Truman on October 29, opening the new radiotelegraph circuit between Rome and New York by Radio Stampa of Italy and Press Wireless

PRESIDENT TRUMAN,
The White House, Washington, D.C.

On the occasion of the initiation of this circuit directed by Radio Stampa and Press Wireless for the use of the international press, I am happy to send this cordial greeting to the American people and to you in particular, Mr. President, also in the name of my country I express the hope that this new bridge between Rome and New York will constitute a strong instrument for increasing the strength of the free press, consolidating democratic principles and cementing the friendly relations between the Italian Republic and your great federation of free peoples.

President of the Council of Ministers.

DE GASPERI

SIGNOR DE GASPERI,
President of the Council of Ministers, Rome.

It is with great pleasure that I am sending this message to you on the occasion of the inauguration of the new direct radiotelegraph circuit operated by Radio Stampa and Press Wireless between our two countries for the use of the international press. I extend my cordial greetings on behalf of the people of the United States to you and to the people of your country. This new channel of communication should serve to increase and assure the free flow of news and information between our two countries, strengthen the free press and redound to the benefit of our peoples by fostering friendly relations between them.

HARRY S. TRUMAN
President of the U. S.

Arrest of American Citizen in Budapest Protested

[Released to the press October 29]
The American Legation in Budapest has reported that Elizabeth Proisz-Pallos, who is registered at the Legation as an American citizen, was arrested on the night of October 27 by Hungarian police authorities on undisclosed charges. Miss Proisz-Pallos was formerly employed by the United States Representative on the Allied Control Commission for Hungary and since July 1, 1947, has been employed as a stenographer and interpreter by the Associated Press office in Budapest. Following Miss Proisz-Pallos’ arrest, Secretaries of Legation Robert S. Folsom and James G. McCargar and Vice Consul Fred Godsey, together with Jack Guinn, Associated Press representative in Budapest, attempted without success to obtain information concerning the charges against Miss Proisz-Pallos and the place where she is being detained.

On October 28 the American Legation received a brief communication from the Hungarian Foreign Office reporting Miss Proisz-Pallos’ arrest and stating that the Legation would be kept informed regarding the case. In reply to this communication, Minister Selden Chapin has referred to article XVIII of the treaty of friendship, commerce, and consular rights between the United States and Hungary (1925) respecting the right of intervention with local authorities for the protection of American nationals and has requested that information be made available regarding the charges against Miss Proisz-Pallos and that an opportunity be provided for a Legation representative to interview her.

November 9, 1947
Supplementary Industrial-Property Agreement With France Signed

A supplementary agreement between the United States and France concerning the restoration of certain industrial-property rights affected by World War II was signed on October 28, 1947, by Acting Secretary of State Robert A. Lovett and Henri Bonnet, Ambassador of the French Republic.

The supplementary agreement amends an industrial-property agreement between the two Governments, signed at Washington on April 4, 1947, which was designed to permit delayed filing of patent applications, accomplishment of formalities, and payment of fees, which actions were not possible during the war. That agreement was entered into in accordance with the provisions of Public Law 690, 79th Congress, approved August 8, 1946. Since the signature of that agreement the Congress of the United States has enacted legislation (Public Law 220, 80th Congress, approved July 23, 1947) permitting extension of periods during which the above-mentioned benefits might be obtained. Accordingly, the supplementary agreement is designed to extend periods specified in the earlier agreement to the later dates now permitted by act of Congress.

It is provided in the agreement that a notice of acceptance of the agreement shall be delivered by each Government to the other. The agreement, in accordance with its provisions, will enter into force on the day of the delivery of that notice which is the later in time.

Return of Horses to Hungary Postponed

The Department of State announced on October 31 that, at the request of Senators Morse and Stewart, it was asking the Department of the Army to postpone shipment to Hungary of horses brought to this country after the war by the United States Army until the Senators could present the matter to the Armed Services Committee of the Senate. [For background information concerning these negotiations, see BULLETIN of October 19, 1947, page 770.]

Social Security Conference Opens in Brazil

The second session of the Inter-American Conference on Social Security will be held at Rio de Janeiro, Brazil, November 10 to 22.

The purpose of the conference is to promote social security in the Americas and to further inter-American cooperation in the development of social-security measures. The first session of the conference was held at Santiago, Chile, in 1942.

The agenda of the session will comprise (1) a report of the secretary general, which will include a summary of children's nutrition programs and an introduction to the problem of investing social insurance funds; (2) insurance against occupational risks; (3) unemployment insurance; and (4) a report of two technical commissions on medical statistics which met at Washington in January.

The conference is governed by a Permanent Committee which is headed by Arthur J. Altmeyer, Commissioner, United States Social Security Administration. It operates in close cooperation with the Ilo, which furnishes its secretariat.

The session is expected to be attended by delegates from the American republics and Canada. The Governing Body of the Ilo, the Pan American Sanitary Bureau, and the Pan American Union also will be represented.

Burmese Youth Mission Tours U.S.

The Department of State announced on October 30 the arrival in Washington of a Burmese youth mission which has been touring throughout the United States. The mission is sponsored by the Department of National Planning of the Government of Burma. The mission, which is composed of 10 youth leaders, has visited civic organizations and educational institutions in a national survey planned by and under the auspices of the Department of State.

The mission will visit Great Britain, Sweden, France, Denmark, Czechoslovakia, and Yugoslavia before returning to Burma. Upon completion of the tour, the mission will be charged with reorganizing the youth activities and youth-serving organizations for the young people of Burma.
Relief Assistance Provided for China

AGREEMENT SIGNED GRANTING FOOD AND OTHER AID

[Released to the press October 27]

An agreement was signed on October 27 at Nan-king to provide food and other relief assistance to the Chinese people under the foreign-relief program of the United States. Liu Shih Shun, Political Vice Minister for Foreign Affairs in charge of the Ministry of Foreign Affairs, signed for China. Ambassador J. Leighton Stuart signed for the United States.

The United States foreign-relief program is designed to alleviate the sufferings of peoples in countries devastated by war. This agreement signed on October 27 with China illustrates once again the strong sentiments of mutual friendship and sympathy that animate the peoples of the two countries. It is another indication of the continuing interest of the American people in the welfare of the Chinese people.

The full text of the agreement follows:

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CHINA CONCERNING U.S. RELIEF ASSISTANCE TO THE CHINESE PEOPLE

[Released to the press October 27]

WHEREAS, it is the desire of the U.S. of America to provide relief assistance to the Chinese people to prevent suffering and to permit them to continue effectively their efforts toward recovery; and

WHEREAS, the Chinese Government has requested the U.S. Government for relief assistance and has presented information which convinces the Government of the U.S. that the Chinese Government urgently needs assistance in obtaining the basic essentials of life for the people of China; and

WHEREAS, the U.S. Congress has by Public Law 84, 80th Congress, May 31, 1947, authorized the provision of relief assistance to the people of those countries which, in the determination of the President, need such assistance and have given satisfactory assurance covering the relief program as required by the act of Congress; and

WHEREAS, the Chinese Government and the U.S. Government desire to define certain conditions and understandings concerning the handling and distribution of the U.S. relief supplies and to establish the general lines of their cooperation in meeting the relief needs of the Chinese people;

The Government of the Republic of China, represented by Dr. Liu Shih Shun, political Vice Minister in charge of the Ministry of Foreign Affairs, and the Government of the U.S.A., represented by Ambassador J. Leighton Stuart, have agreed as follows:

Article I

Furnishing of Supplies

(A) The program of assistance to be furnished shall consist of such types and quantities of supplies, and procurement, storage, transportation and shipping services related thereto, as may be determined from time to time by the U.S. Government after consultation with the Chinese Government in accordance with Public Law 84, 80th Congress, May 31, 1947, and any acts amendatory or supplementary thereto. Such supplies shall be confined to certain basic essentials of life, namely food, medical supplies, processed and unprocessed material for clothing, fertilizers, pesticides, fuel and seeds.

(B) Subject to the provisions of Article III, the U.S. Government will make no request and will have no claim for payment for U.S. relief supplies and services furnished under this agreement.

(C) The U.S. Government agencies will provide for the procurement, storage, transportation and shipment to China of U.S. relief supplies except to the extent that the U.S. Government may authorize other means for the performance of these services in accordance with the procedures stipulated by the U.S. Government. All U.S. relief supplies shall be procured in the U.S. except when specific approval for procurement outside the U.S. is given by the U.S. Government.

(D) The Chinese Government will from time to time submit in advance to the U.S. Government its proposed programs for relief import requirements. These programs shall be subject to screening and approval by the U.S. Government and procurement will be authorized only for items contained in the approved programs.

(E) Transfers of U.S. relief supplies shall be made under arrangements to be determined by the U.S. Government in consultation with the Chinese Government. The U.S. Government whenever it deems it desirable may retain possession of any U.S. relief supplies, or may recover possession of such supplies transferred, up to the city or local community where such supplies are made available to the ultimate consumers.

November 9, 1947
THE RECORD OF THE WEEK

Article II
Distribution of Supplies in China

(A) All U.S. relief supplies shall be distributed in accordance with the terms of this agreement by the Chinese Government and by established voluntary agencies in China which are agreed upon between the two governments. Representatives of the U.S.A. shall have direct supervision and control of supplies made available by the U.S. Government under this agreement.

(B) All U.S. relief supply imports shall be free of fiscal charges including customs duties up to the point where they are sold for local currency as provided by Article III of this agreement unless when because of price practices, it is advisable to include customs charges or government taxes in prices fixed, in which case the amount thus collected on U.S. relief supply imports will accrue to the special account referred to in Article III. All U.S. relief supply imports given freely to indigents, institutions and others, and those turned over to voluntary agencies for distribution shall be free of fiscal charges including customs duties.

(C) The Chinese Government will designate a high ranking official who shall have the responsibility of liaison between the Chinese Government and the U.S. representatives responsible for the relief program.

(D) U.S. relief supplies and similar supplies produced locally or imported from outside sources shall be distributed by the Chinese Government and voluntary agencies without discrimination as to race, creed or political belief, and the Chinese Government shall not permit the diversion of any such supplies to non-essential uses or for export or removal from the country while need therefor for relief purposes continues. The Chinese Government shall not permit the diversion of U.S. relief supplies or an excessive amount of supplies similar to U.S. relief supplies which are produced locally or imported from outside sources in the maintenance of armed forces.

(E) The Chinese Government will take appropriate steps regarding the distribution of U.S. relief supplies and similar supplies produced locally or imported from outside sources designed to assure a fair and equitable share of the supplies to all classes of the people.

(F) A distribution and price control system shall be inaugurated in such major urban centers of China as circumstances permit with the intent of insuring that all classes of the population, irrespective of their purchasing power, shall receive a fair share of the imported or indigenously produced relief supplies. In permitting U.S. relief supplies made available under this agreement to be utilized in support of Chinese efforts to improve consumption and price controls, it is understood that the U.S. Government undertakes no responsibility for the success of these urban programs.

Article III
Utilization of Funds Accruing From Sales of U.S. Supplies

(A) The prices at which U.S. relief supplies will be sold in China shall be agreed upon between the Chinese Government and the U.S. Government.

(B) When U.S. relief supplies are sold for local currency the amount of such local currency shall be deposited by the Chinese Government in a special account in the name of the Chinese Government.

(C) Until June 30, 1948, such funds shall be disposed of only with the approval of the duly authorized representative of the U.S. Government for relief and work relief within China, including local currency expenses of the U.S.A. incident to the furnishing of relief. Any unencumbered balance remaining in such account on June 30, 1948, shall be disposed of within China for such purposes as the U.S. Government pursuant to act or joint resolution of Congress may determine.

(D) The Chinese Government will, upon request, advance funds against proceeds from the sale of U.S. relief supplies to the U.S. representatives, to meet local currency expenses incident to the furnishing of relief, including the operation of the U.S. relief mission in China and certain urgent relief projects being undertaken by Chinese Government organs and voluntary agencies.

(E) While it is not intended that the funds accruing from sales of U.S. relief supplies normally shall be used to defray the local expenses of the Chinese Government in handling, transporting internally, and distributing the U.S. relief supplies, including local currency cost of discharging cargo and other port charges, the U.S. representatives will consider with the Chinese Government the use of the funds to cover the unusual costs which would place an undue burden on the Chinese Government.

(F) The Chinese Government will each month make available to the U.S. representatives reports on collections, balances, and expenditures from the fund.

(G) The Chinese Government will assign officials to confer and plan with the U.S. representatives regarding the disposition of funds accruing from sales to assure a prompt and proper use of such funds.

Article IV
Effective Production, Food Collections and Use of Resources To Reduce Relief Needs

(A) The Chinese Government will exert all possible efforts to secure the maximum production and collection of locally produced supplies needed for relief purposes.

(B) The Chinese Government will undertake not to permit any measures to be taken involving delivery, sale or granting of any articles of the character covered in this agreement which would reduce the locally produced supply of such articles and thereby increase the burden of relief.

(C) The Chinese Government will furnish regularly current information to the U.S. representatives regarding plans and progress in achieving this objective.

(D) The Chinese Government affirms that it has taken and is taking insofar as possible the economic measures necessary to reduce its relief needs and to provide for its own future reconstruction.

Article V
U.S. Representatives

(A) The U.S. Government will send to China the repre...
sentatives required to discharge responsibilities of the U.S. Government under this agreement and the Public Law 84, 80th Congress, May 31, 1947. The Chinese Government will permit and facilitate the movement of the U.S. representatives to, in or from China.

(B) The Chinese Government will permit and facilitate in every way the freedom of the U.S. representatives to travel, inspect and report in connection with any matters relating to this agreement and will cooperate fully with them in carrying out all of the provisions of this agreement. The Chinese Government will furnish the necessary auto transportation to permit the U.S. representatives to travel freely throughout China and without delay.

(C) The U.S. representatives and the property of the Embassy and of its personnel shall enjoy in China the same privileges and immunities as are enjoyed by the personnel of the U.S. Embassy in China and the property of the Embassy and of its personnel.

Article VI
Freedom of the U.S. Press and Radio Representatives To Observe and Report

The Chinese Government will permit representatives of the U.S. press and radio to observe freely and report fully without censorship regarding the distribution and utilization of relief supplies and the use of funds accruing from sale of U.S. relief supplies.

Article VII
Reports, Statistics and Information

(A) The Chinese Government will maintain adequate statistical and other records and will consult with the U.S. representatives, upon their request, with regard to the maintenance of such records.

(B) The Chinese Government will furnish promptly upon request of the U.S. representatives available information concerning the production, U.S. distribution, importation and exportation of any supplies which affect the relief needs of the people.

(C) In case U.S. representatives report apparent abuses or violations of this agreement the Chinese Government will investigate and report and promptly take such remedial action as is necessary to correct such abuses or violations as are found to exist.

Article VIII
Publicity Regarding U.S. Assistance

(A) The Chinese Government will permit and arrange full and continuous publicity regarding the purpose, source, character, scope, amounts and progress of the U.S. relief program in China including the utilization of funds accruing from sales of U.S. relief supplies for the benefit of the people.

(B) All U.S. relief supplies and any articles processed from such supplies, or containers of such supplies or articles, shall, to the extent practicable, be marked, stamped, branded or labelled in a conspicuous place in such a manner as to indicate to the ultimate consumer that such supplies or articles have been furnished by the U.S.A. for relief assistance; or if such supplies, articles or containers are incapable of being so marked, stamped, branded or labelled, all practicable steps will be taken by the Chinese Government to inform the ultimate consumer thereof that such supplies or articles have been furnished by the U.S. for relief assistance.

Article IX
Termination of Relief Assistance

The U.S. Government will terminate any or all of its relief assistance at any time whenever it determines (1) by reason of changed conditions, the provision of relief assistance of the character authorized by Public Law 84, 80th Congress, May 31, 1947, is no longer necessary; (2) any provisions of this agreement are not being carried out; (3) U.S. relief supplies, or an excessive amount of similar supplies produced locally or imported from outside sources, are being used to assist in the maintenance of armed forces in China or (4) U.S. relief supplies or similar supplies produced locally or imported from outside sources are being exported or removed from China.

The U.S. Government may stop or alter its program of assistance whenever in its determination other circumstances warrant such action.

The Chinese Government reserves the right to terminate this agreement whenever it deems such relief assistance as is provided in this agreement is no longer necessary.

Article X
Date of Agreement

This agreement shall take effect as from this day’s date. It shall continue in force until a date to be agreed upon by the two governments.

Done in duplicate in the English and Chinese languages at Nanking this 27th day of October, 1947, corresponding to the 27th day of the tenth month of the thirty-sixth year of the Republic of China.

For the Government of the United States of America:
J. LEIGHTON STUART
For the Government of the Republic of China:
DR. LIU SHIH SHUN

THE CONGRESS

Investigation, Disposition of Surplus Property: Hearings before the Surplus Property Subcommittee of the Committee on Expenditures in the Executive Departments, 80th Cong., 1st sess., pursuant to H. Res. 90 and H. Res. 100. Part 3, hearings on financial control and reporting, War Assets Administration; administrative policies, War Assets Administration; agency agreements, War Assets Administration; Greek-Turkish Aid Act; disposal of St. Johns River shipyard; disposal of Torney General Hospital property; use of aircraft by War Assets Administration. May 13, 14, 22, 23, 27, June 3, 5, 6, 11, 24, 25, 26, July 29, 30, and 31, 1947. x, 630 pp.

November 9, 1947
Re-registration of Property Rights Required of Americans in Shanghai

[Released to the press October 28]

The Department of State announced on October 28 that it is necessary for American nationals (including corporations and associations) who possess rights or titles to real property in the municipality of Shanghai, China, which were acquired before May 20, 1943, to apply to the appropriate authorities of that municipality for re-registration of their property rights and for new deeds of ownership if they have not already done so. Such rights as rights of mortgage, in addition to rights of ownership, must be re-registered. Although the period originally set for re-registration has expired, the Chinese Government has agreed to the extension of the deadline for re-registration to April 28, 1948, in the case of American nationals, some of whom may have been unaware of the requirement of re-registration.

Applications for re-registration and new deeds may be made by an agent, who should be authorized by power of attorney from the holder of the property rights or titles and provided with documentary evidence of the holder’s American nationality and with original or certified copies of the leases in perpetuity or other documentary evidence relating to the property rights. American holders of real-property rights should either apply or instruct their agents to apply in person to the American Consulate General at Shanghai for certificates regarding those rights. Submission of the certificates is required by the Chinese authorities.

Article IV of the treaty for the relinquishment of extraterritorial rights in China, which was signed by the United States and China January 11, 1943, and entered into force May 20, 1943, provides:

In order to obviate any questions as to existing rights in respect of or as to existing titles to real property in territory of the Republic of China possessed by nationals (including corporations or associations), or by the Government, of the United States of America, particularly questions which might arise from the abrogation of the provisions of treaties or agreements as stipulated in Article I, it is agreed that such existing rights or titles shall be indefeasible and shall not be questioned upon any ground except upon proof, established through due process of law, of fraud or of fraudulent or other dishonest practices in the acquisition of such rights or titles, it being understood that no right or title shall be rendered invalid by virtue of any subsequent change in the official procedure through which it was acquired. It is also agreed that these rights or titles shall be subject to the laws and regulations of the Republic of China concerning taxation, national defense, and the right of eminent domain, and that no such rights or titles may be alienated to the government or nationals (including corporations or associations) of any third country without the express consent of the Government of the Republic of China.

It is also agreed that if it should be the desire of the Government of the Republic of China to replace, by new deeds of ownership, existing leases in perpetuity or other documentary evidence relating to real property held by nationals, or by the Government, of the United States of America, the replacement shall be made by the Chinese authorities without charges of any sort and the new deeds of ownership shall fully protect the holders of such leases or other documentary evidence and their legal heirs and assigns without diminution of their prior rights and interests, including the right of alienation.

It is further agreed that nationals or the Government of the United States of America shall not be required or asked by the Chinese authorities to make any payments of fees in connection with land transfers for or with relation to any period prior to the effective date of this treaty.¹

Visit of Chilean Surgeon


General Inostroza is one of a distinguished group of leaders who have received grants-in-aid under the program administered by the Division of International Exchange of Persons of the Department of State for the exchange of professors and specialists between the United States and the other American republics.

Under the auspices of the Civil Aeronautics Administration, Department of Commerce, General Inostroza will confer with officials of that organization and others in the medical field in carrying out his studies.

Minimum Standards for Handling of Classified Information

[Released to the press October 28]

The Security Advisory Board of the State-Army-Navy-Air Force Coordinating Committee (formerly the State-War-Navy Coordinating Committee) announced on October 28 that it had recommended that the draft of the minimum standards for handling and transmission of classified information which it has prepared for adoption pursuant to Executive Order 9835 be amended to provide the following definitions pertaining to classified information:

Classified information. The term “Classified information” as used herein means official information, the security protection of which is necessary for the national welfare. Classified information may be Top Secret, Secret, Confidential, or Restricted, depending upon the degree of protection necessary for its safeguarding.

Top Secret. The term “Top Secret” as used herein means information, the security aspect of which is paramount and the unauthorized disclosure of which would cause exceptionally grave damage to the nation.

Secret. The term “Secret” as used herein means information, the unauthorized disclosure of which would endanger national security, or would cause serious injury to the interests or prestige of the nation, or would be of great advantage to a foreign nation.

Confidential. The term “Confidential” as used herein means information, the unauthorized disclosure of which, although not endangering the national security, would be prejudicial to the interests or prestige of the nation, or would cause unwarranted injury to an individual, or would be of advantage to a foreign nation.

Restricted. The term “Restricted” as used herein means information which requires security protection, other than that information which has been determined to be Top Secret, Secret, or Confidential. The term “Restricted” as used herein is not to be confused with the term “restricted data” as defined in the Atomic Energy Act of 1946 (Public Law 585, 79th Congress, 2d session). The Atomic Energy Act defines “restricted data” as follows:

The term “restricted data” as used in this section means all data concerning the manufacture or utilization of atomic weapons, the production of fissionable material, or the use of fissionable material in the production of power, but shall not include any data which the Commission from time to time determines may be published without adversely affecting the common defense and security.

Unclassified information. The term “Unclassified information” as used herein means information requiring no security protection and therefore not included in one of the aforementioned classifications.

Department Will Not Assume Occupation Administration

[Released to the press October 20]

In answer to a press inquiry, it was announced by the Department of State that there is no present intention of taking over responsibility for the administration of occupied areas from the Army, and consideration of such a taking over has been indefinitely postponed.

Paul C. Daniels Designated Director for American Republic Affairs

Paul C. Daniels, Foreign Service officer, has been designated Director for the Office of American Republic Affairs.

It will be recalled that the Acting Secretary of State announced on October 3, 1947, that Mr. Daniels, then United States Ambassador to Honduras, had been appointed as Representative of the United States on the Inter-American Economic

and Social Council. Ambassador Daniels had been called to Washington on consultation in order to participate in the preparatory work for the Bogotá conference which is being undertaken by the Inter-American Economic and Social Council. He will continue to act as United States Representative on the Council concurrently with his new duties.

**Basic Principles for Security Advisory Board**

*Memorandum for the Acting Secretary of State*

The Security Advisory Board was originally established in early 1943 under the Office of War Information to advise and assist Federal non-military agencies in developing adequate, uniform procedures to protect classified information. On April 3, 1946, upon recommendation of the Joint Chiefs of Staff, the State-War-Navy Coordinating Committee established a subcommittee for security control, to be successor to the Owl Board and also to be known as the Security Advisory Board.

During the period April 1946 to March 1947, the board devoted its major energies to simplifying and expediting downgrading and declassification of documents and to advising agencies on converting their procedures to a peacetime basis by the issuance of a revised set of security suggestions for nonmilitary Federal agencies.

In March of 1947, as a result of the recommendations made by the President’s Temporary Commission on Employee Loyalty, Executive Order 9853, as a part of the employee loyalty program, directed the Security Advisory Board to draft minimum standards for the handling and transmission of classified information which, when approved by the President, would be applicable to all departments and agencies of the executive branch.

The board has drafted the standards as directed and has submitted its draft through channels for appropriate action. These standards represent merely a codification of existing practices and that the basic principles which guided the board in the preparation of its draft were (1) to draft the least restrictive standards possible, (2) to set up a uniform pattern for the handling of classified information in all agencies, (3) to permit freer interchange of classified information between agencies by assuring the “sensitive” agencies that classified information originating with them would have adequate security protection in the receiving agency, (4) to stress the need for avoiding over-classification, and (5) to require downgrading and declassification action at the earliest possible date.

**PUBLICATIONS**

*Department of State*

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.


Agreement between the U. S. and Mexico; entered into force October 22, 1946.


Semi-annual list cumulative from Oct. 1, 1929.


Background for regulation of armaments, and U. S. proposals for maintaining collective security in the face of present world conditions.


Historical study concerned with prewar positions of European countries, effects of war, progress of recovery, and present position, followed by statistical and technical reports of domestic production and external assistance required. Prepared by the 16 countries participating in the cooperative plan for recovery.

**THE FOREIGN SERVICE**

*Consular Offices*

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**Contributors**

Remington Kellogg, author of the article on the International Commission for the Establishment of an International Hylean Amazon Institute, was U.S. Delegate to the recent meeting of the Commission held at Belém (Pará), Brazil, and is Curator of the Division of Mammals, United States National Museum.
Vol. XVII, No. 437
November 16, 1947

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The Department of State Bulletin

Vol. XVII, No. 437 • Publication 2980

November 16, 1947

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
Cooperation With the American Republics in Civil Aviation

by Howard W. Sinclair

The Interdepartmental Committee on Scientific and Cultural Cooperation, designed to foster the exchange of skills, techniques, and knowledge among the American republics, sponsors an aviation training program, conducted in conjunction with the Civil Aeronautics Administration. This program is described in the following article—the last in a series appearing in the Bulletin on the work of this interdepartmental committee.

Under the Interdepartmental Committee on Scientific and Cultural Cooperation, a cooperative training program of far-reaching significance with the other American republics has matured during the past six years. Various Federal agencies are providing opportunities to Latin American trainees for technical, professional, and administrative training in their bureaus, laboratories, and schools. During the year July 1946–June 1947 more than 325 selected individuals were given planned and supervised in-service training in 10 U.S. Government agencies. The training periods ranged from one to 15 months, and the work experience covered some 36 specialized fields. Practical experience in a Federal agency is often supplemented with observation and study at universities and with experience in private agencies and institutions. Such training offers these Latin American students an invaluable and extended contact with the knowledge and techniques used in the United States in experimentation, research, development, and management of its physical resources and public services. It also gives first-hand and intimate contact with the people and ways of U.S. democracy.

Training projects are carefully designed by the member agencies of the Interdepartmental Committee to supplement and strengthen the consultative and cooperative technical projects being carried out in the other American republics. They are related to the particular needs of these countries for trained personnel and to their available specialized educational institutions. The training is intimately geared to following through on cooperative projects already begun and to assuring long-term, increasing results in the years to come.

Individual trainees are carefully selected. They have usually had advanced study and some working experience. Often they are already in the Government service and have shown marked aptitude and potential capacity for greater responsibility in their chosen fields of work.

One of the largest technical-training programs
under the Interdepartmental Committee is the civil-aviation program conducted by the Civil Aeronautics Administration (CAA), Department of Commerce. The program of U.S. cooperation with the American republics in civil aviation has had two distinct phases, each coinciding with the major purposes of United States and inter-American foreign policy. The program was begun in 1941 as part of the measures taken to secure the defense of the Western Hemisphere in the face of growing Axis aggression. It became part of the Interdepartmental Committee’s cooperative program in 1943, while the war was still in progress, and continues as part of the cooperative measures being taken by the American republics for Hemisphere defense. With the end of the war in 1945, the civil-aviation training program assumed a prominent role in the long-range technical and scientific collaboration among the American republics. As the International Civil Aviation Organization was organized and its policies and programs were developed, the civil-aviation training program among the American states bore a relationship of supplementing and furthering the standardization and improvement of civil-aviation navigation, safety control, and other technical developments being carried out by ICAO and its member states.

The CAA program of cooperation with the other American republics, in its early phases, was designed solely for training pilots and mechanics. But since 1941 it has expanded to include instruction for high-level aviation officials. In addition, it furnishes technical assistance through missions composed of CAA personnel sent to various other American republics at the request of these governments and under international agreements. The training and consultative programs necessitate providing technical information in the languages of the other American republics, thus adding a third phase of cooperative assistance.

Development of Cooperative Civil Aviation Training Program

Background of the CAA Cooperative Training Program

During the two years preceding the Pearl Harbor attack, as the threat of Axis aggression became more pronounced, the presence of 27,000 miles of Axis-dominated airlines in Latin America was a cause of concern. Many of these airlines, besides being financed by German and Italian concerns, also employed Germans as pilots. This situation had developed gradually, dating from the days following the Treaty of Versailles when German aviation was presumably rendered impotent. Many officers of the German air forces of World War I had emigrated to South America to continue their aviation activities when war seemed imminent. There were not enough trained pilots and aviation mechanics in the other American republics, however, to replace the German personnel. Some of these countries were faced with the alternative of retaining the German pilots and other airline personnel or of stopping the operation of their airlines. Such a step would have produced serious economic results, especially in countries whose topography made air transportation practicably indispensable. The situation could be met only by providing trained pilots and other aviation personnel to replace the German and Italian personnel which both the United States and most of the other American republics considered a menace to their security. An opportunity to secure such personnel seemed to exist in the civilian pilot training program of the Civil Aeronautics Administration.

"Pan American" Phase of the Civilian Pilot Training Program

The civilian pilot training program (CPT) was intended to accelerate the progress of civil aviation in the United States. Enrolment was limited to citizens of the U.S. After the program had been in operation for slightly over a year, the idea was advanced that the CPT might be utilized in the effort to train pilots for the Latin American airlines. This resulted in what was known as the pan-American phase of the CPT program. A small group of Latin American students already enrolled in U.S. colleges and universities, which were participating in the CPT, were given some pilot training along with their U.S. fellow students. Funds for this pan-American program were provided by the Department of State, since the authorized CPT funds of the CAA could not be used for training anyone who was not an American citizen.

This program, although limited in scope, was well received by many young Latin Americans,
who were eager to avail themselves of the opportunity to learn to fly while they were attending college. It was immediately apparent, however, that unless the program was greatly broadened it could not solve the problem of replacing Axis personnel on Latin American airlines. In the first place, relatively few young Latin American men were enrolled in U.S. colleges and universities. Secondly, those who were enrolled had come for academic training and were not likely to give up the professional careers for which they were preparing to direct their efforts toward more glamorous and exciting but considerably less secure careers in aviation. And finally, the program under the Crr Act of 1939 did not provide for the training of aviation mechanics, and these were as badly needed as pilots by the Latin American airlines.

The Inter-American Aviation Training Program Under the Defense Supplies Corporation

Shortly before the Pearl Harbor attack, plans were formulated for a more extensive Latin American republic aviation-training program, funds for which were provided by Defense Supplies Corporation and the Office for Emergency Management. Procedures were set up in each of the 20 other American republics to select candidates for aviation training in the United States under the supervision of the Civil Aeronautics Administration. A total of 484 young men, representing the 20 other American nations, were selected for this training and embarked for the United States. The attack on Pearl Harbor accelerated initiation of the program, since the menace of Axis pilots flying on South American airlines had by that time become acute.

Of these 484 Latin Americans, 259 received training as pilots in 13 CAA-Crr training centers and with the U.S. Army Air Forces. This training carried them through to a CAA commercial-pilot certificate with a flight-instructor rating or to an equivalent proficiency in the cases of those trained by the Army. A few outstanding graduates of the pilot course were given an instrument-flying course. Another group of 86 received a year of training as instructor mechanics, intended to prepare them to serve as CAA-certified aircraft and aircraft-engine mechanics as well as to instruct others after they returned to their native countries.

Another group of 122 students was trained for six months as service mechanics, not long enough to prepare them for certification by the CAA but qualifying them to serve as helpers or assistants to the certified group who had received a more extensive training. Both groups of mechanics were trained at three CAA-approved aviation-mechanics schools located in the United States.

A final small but highly important group of 17 was trained as administrative engineers for civil-aviation duties of a more highly specialized and technical nature. These men were first given practical mechanic training at one of the CAA-certificated schools, after which they were sent to an outstanding U.S. engineering college. Most of this group completed their training and returned to their homes within about a year.

While this first inter-American aviation training program was in progress, the initial technical aviation cooperation mission of the CAA was organized. This was a program for the standardization of flight-instruction techniques and flight-operations procedures in Argentina. The mission was composed of a flight-training specialist and an aircraft-maintenance specialist. The Argentine civil-aviation officials gave active cooperation. It was in operation for a little over one year.

In 1942 a second inter-American training program was undertaken by the Civil Aeronautics Administration, again with funds supplied by Defense Supplies Corporation. This program was only one fourth as large as the first one, including 49 pilots and 72 mechanics. The pilots were trained in one group, and the training included instruction leading to an instrument-flight rating for all the students instead of a selected few as in the initial program. The short six-months training given the group known as service mechanics in the first program was eliminated because it had become apparent that to secure recognition Latin American aviation mechanics trained in this country would require the coveted “A & E” mechanic certificate issued by the CAA, which required a full year of training. The 72 mechanics included in the second program were likewise trained in one group, receiving essentially the same school training as the so-called instructor mechanics of the first program.

Mechanic trainees of the second program were provided an opportunity for practical on-the-job
postgraduate training. This consisted of about six months of practical experience with selected airlines, aircraft manufacturers, or other aviation concerns in the U.S. before the men returned to their native countries. This postgraduate training was made possible through the cooperation of 26 leading U.S. aviation concerns which paid the Latin American mechanics a subsistence allowance for the services they rendered while in training. This highly desirable postgraduate training was thereby furnished at practically no additional cost to the U.S. Government. The over-all purpose of the program still continued to be that of providing Latin American replacements for Axis personnel working for South American airlines.

Paralleling the second inter-American training program in the United States, the second CAA mission activity, under what later came to be known as the Technical Aviation Cooperation Program, was established. This was a pilot-training school at Puebla, Mexico, the Cinco de Mayo school of aviation. This activity was started by a flight-training specialist of the CAA, who was later assisted by several other CAA flight instructors and maintenance specialists. Most of the instructors were chosen from the group of young Mexican citizens who had graduated from the pilot-training course in the first inter-American program.

The Inter-American Aviation Training Program
Under the Interdepartmental Committee

By 1943 the original purpose of the inter-American aviation training program, that of eliminating Axis control of Latin American aviation, was practically accomplished. The other American republics, however, were desirous of continued U.S. assistance in developing their aviation facilities, training personnel, and keeping abreast of the rapidly changing aviation techniques and equipment. The United States also had an interest in improving aviation in the other American republics. We were at war, and the condition of aviation in the other American republics had a very real bearing on the inter-American security system. Looking ahead to the postwar period, it was apparent that U.S. airlines, which had been greatly expanded during the war, would be doing an increased business in Latin America. The safety of such operations would be dependent upon efficient and up-to-date operation of airport and navigation facilities and upon standardized regulations. At this time the International Civil Aviation Organization, of which the United States was a strong proponent and is now an active member, was being organized to undertake the long and arduous task of standardizing air-navigation facilities, and control and safety regulations throughout the world. It was at this point, in 1944, that the CAA program became part of the cooperative program of the Interdepartmental Committee on Scientific and Cultural Cooperation of the Department of State.

The third inter-American training program of the CAA, the first under Interdepartmental Committee auspices, was somewhat larger than the preceding one. A total of 145 training grants were awarded. Of these only 34 were for pilots. The number of mechanics—66—was also slightly reduced from the previous program. Postgraduate training was given to 43 of the 66 mechanics through the cooperation of 32 aviation companies.

With the inauguration of the third program, a new category of trainees, known as airway technicians, was introduced. They were trained in air-traffic control and airways-communications techniques. This new type of training was set up principally to meet the needs in Latin America for personnel trained to handle the increased air traffic which resulted from military activities. This was the first training in the inter-American program given by the CAA in its own training facilities because commercial facilities for such training were lacking. The training followed the same pattern as that given regular CAA employees being prepared to assume similar duties at airports and on airways. The initial group selected for this new category of training included 45 young men from eight of the other American republics. Nineteen were Brazilians, because of the large volume of military air traffic using airports and air navigation facilities located in Brazil at that time.

In 1944 the third of the CAA missions under the Technical Aviation Cooperation Program was activated. It was an instructor-standardization school set up for Brazilian flight instructors at an airport near Rio de Janeiro. The Brazilian Government had initiated a program for the stimulation of civil aviation through a number of aero clubs located at various places throughout the country where it was possible for young Brazilians to receive flight instruction at very low cost. The
establishment of this program was hindered by the lack of Brazilian flight instructors familiar with modern flight-instruction techniques. This mission was initiated by the same CAA flight-training specialist who had started the mission in Argentina, and he was later joined by a number of other CAA flight instructors and maintenance specialists. The mission personnel solved the language problem by assisting in the translation into Portuguese of CAA bulletins which had been prepared in the United States for use in connection with the CPT.

During the following year, 1945, the fourth inter-American training program was carried on by the CAA with funds provided through the Interdepartmental Committee. The training of pilots was still further reduced to 23, since the needs for this category of trainees in the other American republics had been practically filled. The training of mechanics was likewise reduced to 40 training grants. Thirty of the graduate mechanics were provided with postgraduate training experience of approximately six months through the cooperation of 13 aviation companies in the United States. The number of airway technicians to be instructed in air-traffic control and communications procedures was reduced to 36 trainees, but the program was expanded to twelve countries instead of eight.

A new category of training was introduced in this fourth program based on the trade scholarship idea, the trainees being designated "aviation interns". The initial group consisted of 19 men selected from 10 of the other American republics. These men received training experience with 13 different aviation concerns in the United States. They were individuals desiring aviation training of an industrial nature which could not be provided by enrollment in a formal course of training in an aviation school.

After a two-months orientation period emphasizing a refresher course in the English language, each trainee received approximately 10 months of practical experience in a field of the aviation industry selected in line with his own needs and interests. These specialized fields included airline maintenance, airline operations, airline-traffic administration, aircraft manufacturing, aircraft instruments, aircraft radio, and other related fields of aviation industry. Since the trainees actually worked on the job while placed with these aviation concerns, they earned their subsistence during their period of training, again relieving the U.S. Government of considerable expense.

The Cinco de Mayo school in Mexico and the Brazilian instructor-standardization project at Rio de Janeiro continued to operate during the fourth program.

The fifth of the inter-American programs conducted by the CAA, in 1946, was the smallest in the history of the program to that date. The training of both pilots and mechanics was discontinued. The entire training program in the United States included only 26 grantees. Eighteen of these were airway technicians, or air-traffic control and communications trainees as they were now called, and eight were aviation-industry trainees (formerly designated as aviation interns). The Brazilian and Mexican missions were continued. Negotiations were started to expand the technical aviation cooperation phase of the program, as well as to initiate the exchange of information project.

At this point a thorough analysis was made of the progress of the civil-aviation training program to determine the results of the past programs and to ascertain the needs of future programs. A CAA representative made a trip through all 20 of the other American republics, and CAA personnel operating the program in Washington initiated an extensive correspondence with former trainees to reestablish contacts and ascertain their present activities, particularly how effectively they had been able to utilize their U.S. training. Information was obtained regarding 654, or 87 percent, of the 750 former trainees. An analysis of their employment as of December 31, 1945, shortly after completion of the survey, showed that 463, or 73 percent, of the group were employed in aviation in Latin America. An additional 47, or 7 percent, were found to be employed in aviation in the United States. Thus a total of 510, or 80 percent, of the 633 known living trainees were employed in aviation.

Following completion of this survey, procedures were established to maintain continuously the contacts already established and to find out about the 96, or 13 percent, who had not been located.

Many of the graduates have won places of considerable influence in the aviation of their home countries. Gonzalo Yurrita, trained in the

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United States as an administrative engineer, is now Director of Civil Aviation in Guatemala and has represented that country in the International Civil Aviation Organization. Adolfo Guido Lavalle, trained as a pilot at Albuquerque in the first program, became editor-publisher of the South American edition of a U.S. aviation magazine. Edouard Roy, who completed pilot training at Phoenix in 1942, is Chief of the Haiti Air Force and has represented his country at Icao meetings. Of the five Ecuadorans at the Chicago conference which established Icao, four were CAA-trained—Jorge Trujillo, Ernesto Bonilla, Carlos de la Paz, and Francisco Gomez Jurado.

Current Cooperative Civil Aviation Program

The sixth CAA inter-American program, now in progress, has expanded the training to increasingly higher-level personnel until it includes a category of trainees known as key officials. The present group includes 19 high-level aviation officials from nine of the other American republics. A number of these are the directors or administrators of civil aviation in their respective countries, or their highest-ranking subordinates. Señor German Pol, a member of the key-officials group, is now the Chief of Civil Aviation in Bolivia. He was a CAA trainee in its first program in 1942, when he received training as an administrative engineer in aviation. In other cases, these key officials are the leaders of government-sponsored airlines or other civil-aviation organizations closely associated with the government. Unlike the United States, in which all airlines are privately owned and operated, a number of the other American republics have national airlines which are owned, at least in part, by the government.

Since these high-level officials cannot be spared from their work for long periods, their training experience in this country is limited to approximately two months. During this time they are provided the opportunity to observe the functions of the Civil Aeronautics Administration and the Civil Aeronautics Board in the United States. Officials from a government-sponsored airline or from aviation interests outside the government are provided an opportunity to observe the operation and management of an aviation activity in this country whose operating problems are similar to their own.

Key Employee Training Project

Training opportunities are also provided in the present program for key employees of Latin American aviation concerns and airlines. This key-employee training project includes 22 high-level aviation technicians and supervisory personnel selected from 10 of the other American republics. Among these individuals are airport inspectors, airline-station managers, airport managers, superintendents of maintenance, shop foremen, administrative officers of airlines, and chief traffic controllers at major airports.

Three of the present group of key employees are CAA trainees from former programs, two having received training as aviation mechanics. Since their graduation, they have advanced from mechanics to positions of responsibility in charge of aviation maintenance operations. The third former trainee, Patricio Delano Barrios, received instruction as a pilot at Sunnyside, Washington, in the first program conducted by the CAA. After returning to Chile, he advanced to a position of responsibility as chief pilot for his national airline, L.A.N. He was returned to the United States by his company to familiarize himself with flight-operation techniques needed in his position of increased responsibility.

These key employees are provided with training experience of approximately two months in the United States. The nature of their training is individually adapted to fit their duties in their home countries. Some of these men, who are primarily interested in the control of air traffic and airways communications and other regulatory functions, are being trained in the CAA itself. Others who are primarily interested in airport management and administration are receiving training at the Washington National Airport, which is operated directly by the CAA. Others who are employees of Latin American airlines or aviation concerns are placed with cooperating U.S. aviation companies, where they are trained in line with their needs.

Quite a number of Latin American airlines have shown their interest in this training by providing transportation to and from the United States for key employees. In certain cases employers have provided family-subsistence allowances while the trainees are in the United States.
Aviation Industry Training Project

The aviation-industry training project of the sixth program includes 13 men selected from six of the other American republics. These are slightly younger men who are working in the technical or administrative phases of Latin American aviation but who have not yet advanced to the key-employee or key-official level. Their training is more detailed and more specialized. It covers a period of 10 months, following a 2-months orientation course, if needed, to bring their proficiency in the English language to the point necessary for full utilization of their training opportunities. These men are not merely observers but actually work on the job as student trainees in selected aviation concerns. They learn by doing. Their types of training experience include airline maintenance, aircraft manufacturing and maintenance, aircraft instruments and radio, and airline operations.

This type of training was introduced in 1945, under what was then known as aviation-intern training. It followed the general plan of the trade scholarship found in other industries. During the earlier phases of this training, when skilled labor was very scarce, the airlines or other aviation concerns with which these trainees were placed paid them a living allowance equivalent to the wages paid their regular employees. However, declining business in the aviation industry of the United States, combined with the return of large numbers of veterans to their old jobs and the search by others for new jobs, has made it impossible for most of the U.S. aviation concerns to continue payment of this living allowance. Consequently, funds have had to be provided by the Government for the subsistence allowance of these trainees. The additional fund requirements per trainee necessitated a reduction in the size of the project. This category of training has filled a very definite need during the time it has been in operation.

Operation of Air Navigation Facilities

The fourth category of aviation training now under way in the United States for citizens of the other American republics is in air-traffic control and airways communications.

Air-traffic-control training is being given to a group of 20 young men and includes all of the skills and techniques necessary for the control of air traffic at airports and along airways. It likewise includes training in the communications techniques required for making ground-to-air radio contacts, as well as sending and receiving over the ground lines of the teletype circuits. Continental Morse code is taught for use under atmospheric conditions in which voice transmission would be impossible. These men are also taught to make weather observations of temperature, pressure, humidity, ceiling, visibility, wind direction and velocity, precipitation, and obstructions to vision, and to code this information for transmission on the teletype circuits.

Since air-navigation facilities in the United States are operated entirely by the CAA, no commercial schools are available for this training. As a result, the training of Latin Americans in air-traffic control and communications is provided at the CAA Aeronautical Center in Oklahoma City. The training is similar to that given regular CAA employees who will be performing similar functions in the United States. For the Latin Americans, however, it has to be varied to fit the individual needs of the trainees, depending upon how air-traffic control and communications facilities in their respective countries are controlled and financed. In countries other than the United States, these activities are not solely governmental functions.

The increase in the flow of air traffic in and through Latin America has rendered a standardized type of training of increasing importance. It was begun in 1944, being first conducted in connection with the regional office of the CAA in Kansas City, Missouri. Three groups of Latin American air-traffic controllers and communicators were trained in Kansas City. The fourth group is now being trained at Oklahoma City, Oklahoma.

Aviation Information Project

One of the greatest obstacles to the ready utilization of U.S. technical developments in the other American republics is the difference in language. Attempts are made to select as trainees to be brought to this country young men who have a reasonable degree of proficiency in the English language. This is supplemented by some additional training in English given in connection with the technical phases of their instruction. When they return to their native countries, however, they are faced with the problem of transmitting this
technical information to others of their co-workers who may understand little or no English. This has made it necessary to provide Spanish and Portuguese translations of technical bulletins published by the CAA. Technical material in these two languages has not yet been provided in sufficient quantity, and the need for such material is steadily increasing. There has been a large demand for the technical CAA bulletins which have already been translated. In some cases translations have been made in the other American republics, frequently by former trainees of the CAA program.

**Technical Aviation Cooperation Program**

At the request of the Colombian Government, a CAA mission, consisting of a legal expert, a flight-operations expert, and an airport engineer, was operated in Colombia for a brief period in 1946. These men assisted the Colombian Government in setting up a system of civil air regulations, flight-operations procedures, and a program of airport development. It is planned to resume this project by assigning experts from the CAA in flight inspection and training, aircraft maintenance, and airway communications.

About 200 young Mexicans received flight instruction at the Cinco de Mayo Aviation School in 1947. The supervision of instruction and maintenance, as well as a certain portion of actual instruction and maintenance, was provided by a CAA mission in Mexico. Varying amounts of assistance have been provided by the Mexican Government in the way of native flight instruction and maintenance personnel, as well as aircraft and repair parts. The aircraft initially used at the school, however, were assigned to Mexico under the lend-lease program.

Another CAA mission, consisting of a legal expert, an aeronautical communications expert, an airport engineer, and an air-traffic control expert, was sent to Peru. This mission has assisted the Peruvian Government in preparing a code of civil air regulations. An aeronautical communications system was developed and put into partial operation, certain airport construction was planned, and a standardized program of air-traffic control was initiated.

It is anticipated that CAA cooperative aviation projects will be activated in several more of the other American republics this year.

**Interrelationship of Three-Point Program**

The three-point civil-aviation program—training, technical consultation, and information—is a coordinated one, and the effectiveness of each phase is dependent upon the efficient operation of the others. A program of training personnel in the United States cannot be of maximum benefit unless it is assured that this personnel will be adequately utilized upon their return home. The missions sent to the other American republics and the exchange of technical information both help to make this possible. Likewise, the CAA missions sent to the other American republics at the request of their governments could not be of maximum benefit unless trained personnel were available to carry out the developments proposed. This personnel is provided by the training program. Furthermore, the missions need technical bulletins in the Spanish and Portuguese languages to implement their work, and these are provided through the technical information project.

**An Evaluation of the Accomplishments of the Program**

The original purpose of the inter-American aviation training program, to replace German and Italian personnel on Latin American airlines, was accomplished by 1943. The substitution of native personnel trained in the United States probably accelerated the postwar progress of commercial aviation in the other American republics, since they no longer had to depend upon foreign personnel to fly, maintain, and control their airplanes. The training of airway technicians in air-traffic control and communications provided properly trained personnel to help handle the large volume of U.S. military air traffic using bases in Latin America. A number of the mechanics in the third program completed their training in time to return to their countries for further service with the Air Transport Command.

The principal index for determining whether the trainees of the inter-American programs are appropriately trained is the extent to which they are absorbed in aviation in their respective countries. An analysis of employment data made January 31, 1947, found a high percentage of former trainees actively employed in Latin American aviation. Of 869 persons whose training had been completed, information was received on 97 per-
Twenty-four were reported deceased. Of the 819 living, 597, or 73 percent, were found to be employed in aviation in Latin America. The high level of responsibility of positions now occupied by many former trainees in government and the aviation industry is further evidence of the value of the training program.

Former trainees who have learned to fly and service U.S. airplanes and to use aviation equipment designed and manufactured in the United States are generally inclined to prefer U.S. equipment. An analysis of data on issuance of export licenses for civil aircraft and components to the other American republics revealed a continuing increase in aircraft exports during each quarter of 1946. It also indicated that the best markets existed in those countries from which the largest number of inter-American trainees had been selected. This indicates that the inter-American program served most effectively those countries which were our best customers and possibly had some influence on the market for United States aviation products in Latin America.

The safety of air travel in the Western Hemisphere will undoubtedly be improved by the fact that personnel trained in the United States are available to fly and service U.S. airplanes used in the other American republics. Furthermore, training Latin American personnel in air-traffic control and other flight-operations procedures and techniques will assist in the standardization of such procedures and techniques throughout the Western Hemisphere. This will tend to eliminate confusion which could result in accidents and delays. The air traveler in Latin America will thus find his travel safer and more expeditious, regardless of whether he is traveling in a flag carrier of the United States, a Latin American airline, or a privately owned airplane.

Since any program of training and cooperative missions undertaken by the CAA is technical in its emphasis, it is rather easy to overlook the other aspects coincidental to the technical training. Trainees who spend from 2 to 18 months in the United States are likely to return to their homes in the other American republics as ambassadors of good will, with a better understanding of this country, its government, and its people. On the other hand, many North Americans acquire a more sympathetic understanding of the people of the other Americas through personal contacts with these interesting trainees who have become their friends during a brief stay in the United States.

The work which is being carried on cooperatively among the American republics to standardize and improve air-navigation facilities, airport facilities, and safety methods and control is a furtherance of the purposes and objectives of the International Civil Aviation Organization. The United States and many of the other American republics are members of this new international organization and are working collaboratively to form and execute its policies and programs. Through the program of the Interdepartmental Committee on Scientific and Cultural Cooperation, a practical, realistic collaboration among the technicians, administrators, and students of the United States and other American republics is helping to achieve international aviation policies and technical regulations.
FOREIGN AID AND RECONSTRUCTION

The Impact of Foreign Aid Upon the Domestic Economy

STATEMENT BY THE PRESIDENT

[Released to the press by the White House November 1]

Two weeks ago I made public the report on National Resources and Foreign Aid prepared under the direction of the Secretary of the Interior. At that time I noted that a second report in the series on foreign aid would soon be made by the Council of Economic Advisers. This report has now been completed and submitted to me under the title, The Impact of the Foreign Aid Program Upon the Domestic Economy.

Secretary Krug reported that on the whole our national resources, if intelligently utilized, are physically sufficient to support a considerable foreign-aid program, while preserving the national security and the American standard of living. The report of the Council of Economic Advisers moves on from this point to present an economic analysis of the effect that a foreign-aid program of substantial size would have on agricultural and industrial production in the United States, on domestic consumption and prices, and on Government finance and the tax structure.

The Council of Economic Advisers reaches the conclusion that the American economy can sustain the general impact of a new foreign-aid program and that there is no question of our general financial capacity to support such a program. At the same time the Council stresses the fact that we must deal promptly and effectively with problems raised by key commodities—wheat, steel, certain items of industrial and agricultural machinery, coal, and fertilizer.

The materials contained in both Secretary Krug's report and the Council's report have been made available in advance to the committee of 19 private citizens working under the chairmanship of the Secretary of Commerce. That committee, after studying these analyses of domestic effects and the Paris conference's presentation of European needs, will submit its conclusions and recommendations as to the limits within which we may wisely and safely extend assistance to foreign countries. Aided by these reports and other pertinent material, I shall make recommendations to the Congress concerning a program of foreign assistance.

SUMMARY OF THE REPORT

In order that the principal findings and conclusions of the report may stand out clearly, they are now brought together in summary form.

Scope and Purpose

The principal questions considered in the Report are the extent of the burdens that would be imposed on the economy of the United States by providing further foreign aid during the next few years and the capacity of the economy to support those burdens. Since a companion report prepared under the direction of the Secretary of the Interior deals with national resources and physical capacities, the Council of Economic Advisers centers its attention upon the effect of exports, financed in part with Government funds, upon domestic production, consumption, and prices. Burdens are measured first in terms of goods made available abroad and withdrawn from domestic consumers, and second in terms of price effects; then these price impacts are...
looked at in their relation to the general functioning of the domestic economy; and then the effect on Government finance and the tax structure is examined.

**The Impact of Past Aid—Size**

The effect of the export surplus to date is highly relevant to an inquiry into the general impact of a new foreign aid program because, at the levels of new foreign aid under discussion, the export surplus in the future will be lower than it has been in the recent past, while our total domestic output of goods and services will probably be higher in future years.

The size of the export surplus furnishes a general measure of impact, since it represents the excess of goods and services sent abroad over the goods and services that we import. In 1946, total exports were $15.3 billion dollars and the export surplus was $8.1 billion dollars. In the second quarter of 1947, total exports reached a peak annual rate of $21 billion dollars, imports were about $8 billion dollars, and the export surplus rose to an annual rate of $13 billion dollars, but in the third quarter exports declined to an annual rate of $18.3 billion dollars, and the export surplus to $10.3 billion dollars.

Since the end of the war, Government financial aid to European countries has financed about four-fifths of their excess of purchases from us in 1946, and nearly all of it in the second quarter of 1947. The large part of the export surplus financed through our foreign aid program has reflected economic conditions in Europe and the depletion of their buying resources. Since the end of the war, the Government has financed about one-third of our exports to the world as a whole, and about two-thirds of our total export surplus. The impact of aid has, therefore, been substantially less than that of the total export surplus.

**Effect of Past Aid on Domestic Consumption**

The size of the export surplus to date has naturally decreased the amount of goods available for domestic consumption. But it has not, in view of the tremendous increase in American productive capacity during and since the war, prevented the American consumer from enjoying a general standard of living far above any prewar level. Actual domestic consumption of most significant items is now far higher than before the war. For example, per capita consumption of meat has risen from 125 pounds a year in the prewar period to an estimated 155 pounds for 1947. Such shortages of goods as we experience reflect unparalleled levels of domestic demand based on high national income.

**Effects on Price Level to Date**

The high foreign demand has added to the inflationary pressure on prices, but the much larger domestic demand has been the principal cause of the upward pressure. Prices remained stable during the second quarter of 1947, when the export surplus reached its peak. In the third quarter of this year, although the export demand has been diminishing, it has played an important part in the increases in grain prices, due to high foreign demand for wheat in the face of adverse crop developments. Grain price increases have spread to livestock and other food products. But even for food, the sharp rise stemmed largely from the exceptionally high domestic demand. Looking at the economy generally, price inflation has been caused mainly by domestic factors, but shortages of specific commodities present different problems as will be shown later.

**The General Impact of a New Foreign Aid Program**

In the absence of a new foreign aid program, it is likely that our export surplus would sink to an annual rate of 4 to 5 billion dollars by next year, contrasted with the 13 billion dollar annual rate in the second quarter of 1947 and an estimated current annual rate of about 10 billion dollars. Assuming that our imports remain at approximately the current level of about 8 billion dollars a year, our total exports during next year would sink to an annual rate of 13 billion dollars or less, compared to an annual rate of $21 billion dollars in the second quarter of 1947 and an estimated current annual rate of about $18 billion dollars. The major reductions would occur in our exports to Europe.

While this rapid reduction in exports would probably not inflict serious short-run damage on our own economy, substantial problems of readjustment would be generated. Moreover, the industrial paralysis which could be expected to result in some other countries would have repercussions of major proportions upon our own economy and upon world stability.

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The report assumes for illustrative purposes a foreign aid figure based upon the Paris Conference Report which would reach a maximum annual rate of 8 billion dollars during the first year, including about 1 billion dollars already authorized, and which would produce a maximum export surplus of about 12 billion dollars a year. This would mean total exports at a peak of not more than 20 billion dollars a year, assuming 8 billion dollars of imports. Since these levels are lower than those reached during the second quarter of 1947 and would decline appreciably from year to year, it follows that the export surplus resulting from any future foreign aid program will at no time equal, and for most of the time will be substantially less, than levels which have been reached during the current year.

In view of the long-run prospect for increasing American output if maximum employment and production are maintained, these facts lead to the conclusion that the general impact of a new foreign aid program of the assumed size upon the American economy could be sustained because a larger impact has already been sustained. The report stresses, however, that problems raised by specific commodities in relatively short supply could distort or overturn this generally optimistic picture if not dealt with effectively.

The Problem of Specific Commodities

Food, steel, industrial and agricultural machinery, coal, and fertilizer are items of key significance because foreign demand for these goods is especially urgent whereas they are in relatively short supply in this country.

The impact of the grain shortage. The food situation is the most serious. The problem stems from a very short corn crop at home, coinciding with a bad crop year for food grains in Europe. Although the domestic wheat crop was at a record level, adverse corn crop developments and high meat prices have provided incentives for feeding large amounts of wheat to livestock.

Exports of wheat will need to be maintained at recent levels. At the same time, the domestic demand both for grains, and for meat, poultry, and other food continues to be very high despite record prices. Food price increases have already become serious, and further food price increases would decrease the value of each dollar of foreign aid extended, work additional hardships upon American families of low or moderate income, and threaten an inflationary price-wage spiral which could adversely affect the whole economy. If wheat exports continue at the levels set by foreign need, and if the domestic demand for food remains at or near its postwar level, conservation and other measures to regulate use and hold prices in check will be needed in this country. With such measures to maintain healthful nutritional standards, the supply here would be adequate to serve nutritional and other needs satisfactorily although not luxuriously.

Steel and steel products. Our total production of rolled-steel products during the first half of 1947 was at an annual rate of more than 62 million short tons, contrasted with less than 35 million tons in 1939. Although exports rose from about 2½ million tons in 1939 to an annual rate of 6½ million tons in the first half of 1947, the amount of steel available for domestic consumption is much higher than before the war. But owing to the enormous increase in our steel using industry, the relative steel shortage is of serious proportions, and there is not much prospect of large increase in production in the short run. The chief danger here is that this supply situation may be translated into further increases in the price of steel and steel products which would give an additional inflationary impetus to the whole economy. High domestic and foreign demand for industrial and agricultural machinery is closely connected with the steel problem.

The general conclusion regarding steel as well as food is this: Whether the domestic situation worsens considerably or progresses satisfactorily depends upon the use of vigorous, affirmative measures to assure distribution to the most urgent uses and to prevent a spiraling of prices.

Coal and fertilizer. In the case of coal and fertilizer, for which there is a large foreign need to quicken the process of economic restoration, the domestic economy can well afford to continue or even increase shipments of these commodities. Domestic shortages are not serious (for coal, the problem is mainly one of transportation), while shipments abroad will lessen the demand for other imports by hastening the revival of production in Europe.
Fiscal Impact of Foreign Aid

Foreign aid to date has been financed with revenues derived from taxation and not through increasing the national debt. This policy should continue so long as our own economy continues to operate at high levels and under inflationary pressure. Even had there been a smaller foreign aid program in the past, and even without a new foreign aid program, it would be undesirable to reduce the level of taxes while such pressures exist. On the other hand, from the budgetary standpoint, a new foreign aid program should not call for increased taxes. Further, since the general impact of a new foreign aid program would be less than the recent impact of foreign aid, such a new program would not increase inflationary pressures above recent levels and therefore would not call for still higher taxes as an anti-inflationary measure. The amount of exports financed with government aid has ranged between 2 and 3 percent of our gross national product, and will be less in the future, and our general financial capacity to support such a program cannot be questioned.

Some Long-Range Implications of Foreign Aid

To the extent that aid is provided through loans, these can be repaid only through restoration of the export trade of other countries. This will expose American industry to added competition, a test which must be faced. Some outright gifts to meet emergency demands, however, will more rapidly qualify these countries for loans from the International Bank and private sources and more rapidly restore a well-balanced world trade.

In the longer run, the economic restoration of Europe will benefit our own economy by enabling us to obtain more goods by advantageous trade. On the other hand, a cessation of foreign aid would force an economic reorientation of Europe which would be detrimental to our economy.

Softening the Impact of Foreign Aid

A new foreign aid program will have a severe or a moderate impact on our economy depending upon the domestic measures we adopt. These measures involve both the administration of foreign aid and related questions of domestic economic policy.

The seriously inflationary consequences that would result from mismanagement of the situation in such commodities as food and steel require selective distribution to the most necessary domestic and foreign uses. The two types of uses are interrelated, because the demand in both cases takes place at the same strategic spots in the American market. The consequences can be dealt with effectively only through careful coordination of all measures undertaken.

The relative shortages of specific commodities require export controls, allocations for domestic use, discouragement of misuse or excessive use, efficient transportation and distribution, and the curbing of speculation and hoarding of goods.

The general inflationary threat resulting from the combined impact of foreign and domestic demand requires the continuance of tax revenues at present levels, maximum economy in government expenditures, stimulation of saving, and the enlargement and aggressive use of measures to control dangerous expansion of credit.

The proposal for new foreign aid requires that we face with greater wisdom and courage than ever before the dangers to our whole economy that are now revealing themselves in the form of relative shortages and inflationary pressures at strategic spots in the economy. The foreign aid program compels us to face certain domestic problems squarely, but remedial and preventive measures available to us are adequate if we have the courage to use them.
European Recovery and American Aid

STATEMENT BY THE PRESIDENT

Last June I appointed a committee of 19 distinguished private citizens to determine the facts concerning the kinds and amounts of our resources available for economic assistance to foreign countries and to advise me on the limits within which, in the opinion of the committee, the United States might safely and wisely plan to extend such aid. I asked the Secretary of Commerce to serve as chairman of the committee. The members of the committee were drawn from the ranks of American business, finance, labor, agriculture, and educational and research institutions.

During the intervening months, the members of this committee of private citizens have been diligently studying the many aspects of this complicated problem, particularly as it relates to western Europe. They have carefully examined the analysis, by a committee of Government officials under the direction of the Secretary of the Interior, of the adequacy of our national resources to support a foreign-aid program; the analysis by the Council of Economic Advisers of the impact of a substantial aid program upon our national economy; the report of the representatives of the 16 nations who met in Paris; and other data available from various sources.

This committee has now submitted to me its report, European Recovery and American Aid. The report contains a careful discussion of the problem of European recovery and our interest therein; the requirements of the countries involved; the supplies available; the size of an effective aid program and the feasibility of its being met; the problems of finance and administration; and the effects of a foreign-aid program on our own economy. In addition, the committee’s report contains detailed discussions of problems presented by specific commodities—food, raw materials, and manufactured goods that are needed.

The members of the committee have fulfilled their task without partisanship, and with no other purpose than to further the best interest of their country and to aid in securing the peace and well-being of the world. I am deeply grateful to each member of the committee for putting aside so many other pressing duties in order to bring this difficult assignment to completion in so short a period. The committee’s report should prove of great help in the prompt formulation of a program of sound assistance to western Europe. I commend this report to the careful attention of members of the Congress, officials of the Executive Branch, and all citizens concerned for our country’s welfare.

LETTER OF TRANSMITTAL FROM THE CHAIRMAN OF THE COMMITTEE

Dear Mr. President: I have the honor to transmit the report of the nonpartisan committee of distinguished citizens which you appointed last June 22 to advise you on the limits within which the United States might safely and wisely plan to extend economic assistance to foreign countries and on the relation which should exist between such assistance and our domestic economy.

It was my privilege to observe and to participate in the free and thorough discussion by the members of the committee which resulted in their conclusions expressed in this report. While the committee had the benefit of materials prepared by both Government and private sources, it was understood that the function of the committee was to give you the benefit of a completely independent judgment after taking into consideration all points of view, and its conclusions were reached on that basis.

Respectfully,

W. A. Harriman

The President,
The White House,
November 7, 1947.
I. Principles

The President's Committee on Foreign Aid was asked to determine the limits within which the United States could safely and wisely extend aid to Western Europe. It has approached this assignment in a spirit of realism.

We believe that the future of Western Europe lies very much in its own hands. No amount of outside aid, however generous, can by itself restore to health the economies of the sixteen nations which met at Paris in July. Except in Western Germany, where the United States has direct governmental responsibility, the success of any aid program depends ultimately on hard work and straight thinking by the people and the governments of the European nations themselves.

The sixteen nations, and Western Germany, comprise over 275,000,000 men and women. They possess great agricultural and industrial resources. Even at its present depressed state, the production of this area is vastly greater than any aid which this country can provide. Such aid must be viewed not as a means of supporting Europe, but as a spark which can fire the engine.

The Committee is also aware that the volume of aid required from the United States is of such proportions that it will place a substantial burden on the people of the United States. For all its resources, the United States is no limitless cornucopia. The population of this country represents something less than 7 percent of the population of the world. This country has heavy responsibilities at home as well as in Europe, in Asia, and in our own hemisphere. The aid which we give represents, to be sure, only a small fraction of our total production. But at the present time, there is no slack in the American economy and every shipment abroad of scarce goods—especially food which Europe must have—adds to the inflationary pressure at home.

The Committee regards as nonsense the idea which prevails to a considerable degree in this country and abroad, that we need to export our goods and services as free gifts, to insure our own prosperity. On the contrary, we are convinced that the immediate economic danger to the United States is inflation, which means, among other things, a shortage of goods in relation to demand. We believe that our goal should be to bring about a condition where exports from this country are more nearly balanced by a return flow from abroad of services and materials essential to our own economy. We also believe that the European nations desire to achieve such equilibrium in the interests of their self respect and prosperity. To make this equilibrium possible should be a major objective of any program of aid.

The interest of the United States in Europe, however, cannot be measured simply in economic terms. It is also strategic and political. We all know that we are faced in the world today with two conflicting ideologies. One is a system in which individual rights and liberties are maintained. The opposing system is one where iron discipline by the state ruthlessly stamps out individual liberties and obliterates all opposition.

Our position in the world has been based for at least a century on the existence in Europe of a number of strong states committed by tradition and inclination to the democratic concept. The formulation of the Paris report is the most recent demonstration that these nations desire to maintain this concept. But desire is not enough. The democratic system must provide the bare necessities of life now and quickly rekindle the hope that by hard work a higher standard of living is attainable. If these countries by democratic means do not attain an improvement in their affairs they may be driven to turn in the opposite direction. Therein lies the strength of the Communist tactic: it wins by default when misery and chaos are great enough. Therefore the countries of Western Europe must be restored to a position where they may retain full faith in the validity of their traditional approaches to world affairs and again exert their full influence and authority in international life.

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1 Submitted by the President's Committee on Foreign Aid. Released to the press by the White House Nov. 8, 1947. For membership of the committee and its interim report, see BULLETIN of Oct. 15, 1947, p. 691.

II. Policies

The success of any program for aid which may be adopted will depend on the policies which this country and the European nations pursue. It should be made a condition of continued assistance under such a plan that the participating countries take all practicable steps to achieve the production and monetary goals which they have set for themselves in the Paris report. Failure to make genuine efforts to accomplish these results would call for cessation of further assistance.

However, aid from this country should not be conditioned on the methods used to reach these goals, so long as they are consistent with basic democratic principles. Continued adherence to such principles is an essential condition to continued aid but this condition should not require adherence to any form of economic organization or the abandonment of plans adopted in and carried out in a free and democratic way. While this Committee firmly believes that the American system of free enterprise is the best method of obtaining high productivity, it does not believe that any foreign aid program should be used as a means of requiring other countries to adopt it. The imposition of any such conditions would constitute an unwarranted interference with the internal affairs of friendly nations.

The goals which the European governments have set for themselves and with which our Government may legitimately concern itself are conditioned by the nature of the European economic problem. The reasons for the inability of Western Europe to balance its accounts with the rest of the world at the present time are generally understood and are ably analyzed in the CEEC report. Western Europe is cut off from the food and supplies which flowed from Eastern Europe before the war. Foreign investments and shipping revenues have been lost. The costs of essential food and raw material imports have risen and are still rising. To overcome these disadvantages European production must expand well above pre-war levels; yet in important industries, especially coal mining, and important areas, especially Germany, it is lagging badly. It is the judgment of all competent observers that these troubles flow from an acute shortage of working capital and from the serious disintegrati-
III. Needs and Capacities

In emphasizing these points, the Committee is simply making explicit the principles that are imbedded in the Paris report. It does not wish to imply that confidence in currencies can be restored without increased production abroad combined with substantial injections of American aid. It believes that the need for holding inflation in check in this country and in Europe bears directly on the magnitude of the aid we can and should extend.

The Committee found little evidence that the goals set at Paris to restore standards of living were excessive in terms of basic necessities. Even if all the estimates submitted at Paris were to go through as planned, Europeans would not be eating as well in 1951 as they ate in 1938. If food were available, it would pay to meet these estimates in full in the interest of political stability. This is especially true in the case of Western Germany, where more food is essential to secure more coal production and the revival of an economy now obviously on dead center.

The Committee, however, is not convinced that the participating nations at Paris were wholly realistic in their plans for capital expansion. On the first point, it is obvious that if Europe is to be revived and made self-supporting—if our aid program is not to degenerate into just another relief program—the European nations will have to rehabilitate their capital plant. But it cannot be too strongly stated that the process of investment and capital formation imposes a severe strain on the country undertaking it. It means the introduction of money income into the economy, with no comparable output of consumer goods to sop up this purchasing power. This process is highly inflationary. To the degree that capital goods are sent to Europe from the United States, it is true, the strain is transferred from European economies to our own. Nevertheless, the secondary effects of large capital programs should not be overlooked. At the present time, gross investment in the United States is running at about 17 percent of total national product at the height of a boom. Some of the European nations have attempted to exceed this rate. It seems unlikely that European nations can prudently afford to sustain capital formation on as large a scale as they have planned. What this means, in effect, is that housing programs and capital development may have to be slowed down until European recovery is much more advanced than at present.

In addition the program written at Paris may have to be modified by a shift in the amounts going to the separate countries. As this shift is made, we believe that the amount of aid allotted to Germany may have to be higher than was set at Paris. This Committee wishes to state emphatically that the overwhelming interest of the United States is to prevent the resurgence of an aggressive Germany. The fears of neighboring nations are thoroughly understandable. On the other hand, it is generally admitted that the revival of Ruhr coal output, along with the increase in British coal output, is the crux of the problem of getting Western Europe back on its feet. Apparent savings to the American taxpayer, accomplished by spending too little money on Germany, have thus far been more than offset by the consequent deterioration of the general European economic situation.

The final determining factor in the size of a prudent program is the availability of commodities in this country. The Committee has canvassed such availability in detail. At the Paris Conference, it was concluded that the Western Hemisphere simply did not have the food resources to supply all of the estimated needs. As against estimated need for 35 million tons of grain, the Paris Conference conceded that 25 million tons was the maximum which could be obtained from the outside world with about 9 million tons coming from the United States. In 1947, the United States will probably export some 15 million tons of grain with about 9 million tons going to Europe. In view, however, of the poor American corn crop and the lack of fall rains, only a most favorable crop year in 1948 would make any such performance possible.

With a number of other commodities, the situation is only a little less stringent. Steel and the steel-making materials, especially scrap, are in particularly short supply in the United States. Because it is a basic industrial material, the effects of this shortage are pervasive. Coal exports at a high rate are possible, though they are imposing a strain on the United States transportation system and there may be a few shortages in the coming winter. The margin between supply and demand of petroleum products is very narrow in this country. The European countries do not expect to
import this commodity from the United States in volume, but the shortage, like that of steel products, is world-wide. There is little likelihood that these requirements set forth at Paris can be met.

The situation is much the same in regard to most of the items of machinery and equipment the European nations need. In the middle of an agricultural boom, the demand of American farmers for farm machinery is well beyond the capacity of the industry. As to mining machinery, coal output is at a high rate and American mine operators are buying as much machinery as they can obtain. Heavy electrical equipment of all kinds is perhaps the tightest industrial item of all. The story is much the same for certain of the basic raw materials.

These remarks do not imply that the United States can do little toward the rehabilitation of Europe. European governments and private firms have placed large orders in the United States for industrial equipment. A voluntary food conservation program has been initiated to make food available for export. In spite of shortages here, manufacturers of automobiles and farm machinery are voluntarily maintaining exports. If funds were available to finance European purchases and if European requirements were known in detail, exports could at least be maintained, and in many cases stepped up. In over-all terms, a foreign aid program would not even require the maintenance of present rates of exports. The conclusion that does emerge from the examination of particular markets for particular commodities is that supply will be a limiting factor in many cases and that many European requirements cannot be met in full.

IV. The Magnitude of American Aid

On the basis of revised estimates of European imports and exports, the Committee calculates that the cost of the European aid program to the Government of the United States would be about $5.75 billions for the first year and between $12 and $17 billions for the whole program here suggested.

These figures are not comparable to those contained in the Paris report. The latter are estimates of the deficit the participating European countries would incur in their trade with the Western Hemisphere. They measure the margin by which the European countries expect their payments in dollars for goods and services imported from the Western Hemisphere to exceed their receipts in dollars.

The Paris estimates of imports have had to be revised downward, mainly on the grounds of unavailability of goods. To the extent of this revision the estimated cost of the program was also reduced. At the same time it was necessary, on grounds of realism, to revise downward the European estimates of exports and to modify the figures in a number of other ways which increase the cost. The result was an estimate by the Committee that the balance of payments deficit would be $1 billion to $1.5 billions lower in the first year and possibly as much as $5 billions lower for the whole plan than that contained in the Paris program.

The Committee's estimate of the cost to the United States Government is a smaller figure than the foreign trade deficit. First, a deduction must be made for the part of the program than can be financed through the International Bank. Second, there may be private financing. Third, a large part of the European deficit with the American Continent is with countries other than the United States. In its own interest, the United States will probably have to supply funds to cover a part of this deficit but we should not have to finance it in full. When allowance is made for these deductions, the resulting figures are those given above for the cost to the United States Treasury.

It is helpful to compare the figures for the cost to the United States Government with what the United States has been doing for Europe in the past. Before the run on sterling in July the annual rate of withdrawals on the British loan was about $2.6 billions. In addition, in the first half of 1947, the rate of withdrawal on other European aid programs—relief, UNRRA and special grants—was about $2 billions. In 1947 the United States assumed only half of the cost of German occupation, but in 1948 it seems likely that it will have to assume the whole burden, amounting to about $1 billion.

When all these factors are taken into account, the program of aid proposed for 1948 proves to be a moderate increase on what the United States has in the recent past been spending in Europe and what will probably have to be expended in Germany in any case. In addition the program calls
for increased lending operations by the International Bank.

Looking to the years beyond calendar 1948, the Committee emphasizes that any estimates are altogether speculative. The American people have an understandable interest in trying to ascertain the drain on their resources in the future. But it is totally impossible, and indeed unwise, to attempt to calculate this with accuracy. The Paris conference suggested that the total European foreign exchange deficit for the four-year period 1948–1951 would be about $22 billions. The Committee’s estimates range from $17 to $23 billions. When deductions are made for various types of financing, the range of possible appropriations would be $12 to $17 billions. But the Committee cannot emphasize too strongly that any aid extended to Europe must be on a year-to-year basis. It must be subject to constant, vigilant review of the Congress.

V. Finance and Administration

Even to carry out a prudent program in 1948 entails the execution of certain fundamental policies on the part of the United States Government and the most careful administration. The Committee believes that any aid to Europe offered by the United States should be financed out of taxes, not out of borrowing. The maintenance of a surplus in the United States Treasury is a necessity in this inflationary period.

A foreign aid program will require means to make available goods that are in short supply. Voluntary measures should be relied upon wherever possible. If and when they are not, the Government will probably require authority to set priorities in order to insure the availability for export of limited amounts of the items most critically needed. It might also have to issue limited orders to control consumption of critical materials such as those still in effect for tin. Especially in the field of food it might be necessary to use the device of requiring that limited quantities be set aside for export.

It must be emphasized that these suggestions apply only to the foreign aid program and not to the broad problem of inflation. The Committee is convinced that inflation is a serious deterrent to the stability of the American economy, but any consideration of a program to control infla-
The first thing to be said about European reconstruction is that tied up in that problem are both the continued health of our American economy and the possibility of maintaining our way of life in a world at peace.

Why is that so? What is the interest of the United States in European reconstruction?

In 1939 the freedom-loving peoples of Europe were attacked by the forces of tyranny. For more than two years we watched them in sympathy as they struggled against overwhelming odds. We sent them supplies, and we encouraged them to resist. But not until the flames of war suddenly licked out at us did we all realize that it was all one war and that the free way of life everywhere was at stake. When we finally became a part of the struggle, we found that it was a matter of the utmost importance that some of our friends had survived to fight by our side. Our troops and theirs died in the common defense of their soil and ours. When victory finally came, the homes of these peoples, their farms, their factories, and their mines, were wrecked. Today many of these people are cold, hungry, miserable, and disillusioned. Now that we are living in the peace that we bought so dearly, it is in accordance with the American neighborhood custom to help our wartime friends rebuild their homelands that were ravaged in the common fight. Time and again the American people have demonstrated that our first concern is human values.

But aside from the recognition of our obligations to comrades in a common cause and aside from purely humanitarian reasons, how does the program of aid to Europe affect us?

We have found from repeated experience that general prosperity for our Nation as a whole means prosperity for all segments of the economy—labor, industry, and agriculture alike. No one segment of the economy can profit alone; no one segment of the economy long remains in a depressed state while the rest profit. This is true only in less degree of the world economy. The United States emerged from this war with its industrial capacity almost doubled and its agricultural capacity about one-third greater. Today our productive capacity is supplying highly increased domestic demands as well as export needs that absorb the goods produced by one out of every ten American workers. If we are to maintain our national income, now at an all-time high of 200 billion dollars a year, and maintain it in the free pattern which we now enjoy, we must take steps to assure the maintenance of our greatly expanded world trade. This will benefit us, and it will benefit even more the rest of the world which receives our exports that are the product of American resources and American know-how.

The proposed program of aid to Europe to assist in its reconstruction will help to maintain our present national income in several ways. In the first place, it underwrites a large export trade for the next four years—that long, definitely. In addition, in restoring the economies of our best customers, we are underwriting their ability to continue mutually profitable trade relations with this country after 1951. And we are lending our support to the building of a stable, prosperous world. Certainly we have learned by now that the world economic boat cannot sink at one end with any expectation that the other end will continue to float serenely. We have an unmistakable in-

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*Address delivered before the National Cooperative Milk Producers Federation, St. Louis, Mo., on Nov. 6, 1947, and released to the press on the same date.
terest in the future economic welfare of Europe—
just as they have in ours.

Furthermore, the proposed aid to Europe serves
our self-interest by helping to preserve the demo-
cratic way of life, for we know that continued
chaos and hopelessness ultimately lead to totali-
tarianism in one form or another. As Under
Secretary of State Lovett put it: "From the view-
point of the vital interests of the United States in
its struggle for peace, the principal issue in Europe
today is whether or not the political forces which
profit from hunger and cold and human misery can
cause the disappearance of the remaining free
states. Incredible though it may seem, the crea-
tion of unrest is the deliberate objective of such
groups, and their most powerful allies are hunger
and economic stagnation."

Let us not delude ourselves regarding the ide-
ological conflict that is going on in the world today.
There is no question that there are forces seek-
ing to impose their way of life on other peoples
through a campaign of fear, force, and fraud.

Assuming then that we Americans have a stake
in a free and healthy Europe, there are still some
questions that we must ask ourselves before mak-
ing up our minds on the question of aiding in the
reconstruction of Europe. What about the steps
that we have already taken? This conclusion
that we have an interest in Europe does not repre-
sent a sudden discovery. It became a basic tenet
of American foreign policy long before the war
ended. Plans were made to help restore Europe
as a bulwark of peace and an active participant in
world trade. As long ago as 1944 our Government
began to construct the framework of postwar
policy. We took the lead in setting up the United
Nations, with the Economic and Social Council.
We were the largest contributor to UNRRA to re-
lieve the acute distress immediately following the
war. We helped in setting up the International
Monetary Fund to stabilize currencies and the
World Bank to finance long-term reconstruction
and development projects.

This planning was sound as far as it went, but
it soon became apparent that the after effects of
the war were more far-reaching than had origi-
nally been estimated. The physical destruction
was greater, and beyond that the subjection of all
business and all production to the war aims of
the Nazi Government, the severance of all trade
connections with the outside world, the change
in ownership of many business concerns, the re-
moval of trained labor all added up to a greater
problem of reconstruction than anyone had antici-
pated. The original plans had to be supple-
mented, therefore, with such action as the loan
to Great Britain, loans from the Export-Import
Bank to other countries, the post-UNRRA relief
program, and the Greek-Turkish aid program.
In all, the United States has provided Europe with
something like $10 billion dollars in grants and
credits since the end of the war.

We must not underestimate all that has been
accomplished by these programs. Food, coal, and
other essential supplies have saved the lives of
thousands upon thousands of persons and the
health of millions more. American aid has pro-
vided the added impetus that has enabled Euro-
pceans to travel a significant distance on the road
back to recovery. The British Isles and the
Scandinavian countries, for instance, have now
achieved an over-all industrial production rate
greater than that in 1938. British farmers, for
instance, have increased cereal production to 150
percent of prewar and milk production to 120
percent. Industrial production in France, Bel-
gium, and the Netherlands stands at 80 to 90 per-
cent of prewar. Italy, Austria, and Germany lag
considerably behind and consequently hold back
the recovery of Europe as a whole.

But even production equal to prewar levels is
not enough to give Europeans a standard of liv-
ing comparable to 1938. The population of
Europe has increased by 25 millions since 1938.
There are more mouths to feed, more bodies to
clothe, more families to house. And there is less
to do it with. Not only must the enormous physi-
cal destruction of the war be replaced, but the un-
filled needs for capital and consumption goods
that accumulated during the war years have yet
to be supplied. Also most of Europe's invest-
ments abroad were sold during the war to enable
them to carry on with the fighting, so they must
produce and export more than before in order
to pay for necessary purchases abroad. And we
must bear in mind that the remarkable progress
that has been made toward a restored Europe has
been built upon a foundation of American assist-
ance, and if that assistance should be withdrawn
now a great deal of what has been accomplished
would be lost. This does not mean that Ameri-

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can aid must continue indefinitely, but it does mean that we must continue to the extent that we safely and wisely can until Europe is enabled to get on its own feet.

Progress toward European recovery has been handicapped by a number of things. Some were inherent in the destructiveness of war. Some were psychological factors, the result of undernourishment and years of occupation. Also unpredictable elements, such as the violent storms of last winter and the severe droughts of two summers, reduced food crops and held back recovery.

Then too, before the war western Europe obtained much of its food from eastern Europe. These supplies are at present greatly curtailed because that area is under the control or influence of Communists. So the countries of western Europe must import food from abroad to supplement their own inadequate production. Even with these imports, the average city dweller in Italy, Austria, and Germany is subsisting on food containing only 1,950 calories a day, and in France, 2,200 calories. This is 20 to 30 percent less than they got before the war and compares with an average American consumption of 3,400 calories.

Even the soil of Europe is hungry. Farm land was intensively cultivated during the war, and very little plant food was returned in the form of fertilizer. This, of course, has resulted in lower yields per acre. There is an acute shortage of nitrogenous fertilizers. One ton of nitrogen will produce 12 additional tons of wheat, and Europe is short 352,000 metric tons of nitrogen for the current crop year. But Europe has an idle capacity capable of producing 380,000 metric tons of nitrogen—more than enough to make up the shortage. This capacity is unproductive because of a shortage of coal. It takes seven or eight tons of coal to make one ton of nitrogen. Coal is short largely because there is not enough food for miners and their families, and also because there are not enough spare parts to repair mining machinery and railroad equipment for hauling the coal. These things are short because there is not enough steel, and steel is short because there is not enough coal. Another reason there is not enough coal is the shortage of wooden pit props for the mines. Sweden, which formerly furnished some of the pit props, is burning wood for fuel because it can't get enough coal.

These are examples of the cycles that bedevil Europe in its efforts to increase production. The essence of the present program for European recovery is the effort to break these deadly downward spirals and convert them into ascending spirals of greater and greater production by introducing a new force at critical points. When Europe produces more coal, it can manufacture more nitrogen to grow more food to feed more miners to produce more coal to make more steel.

The question, then, becomes one as to how the present bottlenecks can be transformed into funnels for directing Europe's resources and energies into the most productive uses. First, of course, there must be a maximum of self-help within each country. Each nation must put its own house in order. Secondly, each of the European countries must make a maximum contribution to the economic recovery of its neighbors. For instance, we must not have a situation where one country has a shortage of electrical power, and one of its neighbors has an unused excess of electrical power. But beyond that, the means for accomplishing Europe's recovery must come largely from abroad, and this means principally the United States. Other countries can help, and they are doing so, but most of them are having their own serious troubles. Our help thus far has been decisive in Europe's effort to move forward toward recovery. Continuation of that help is imperative, not only to enable Europe to keep moving forward, but to keep from losing ground already gained.

A sharp realization of this situation has been forced upon us by the events of the past few weeks. Just at the very time that this year's crop failures sharply increased Europe's dependence on outside food sources, its means of buying that necessary food from abroad virtually dried up. Ever since the war ended, Europe has paid for the excess of its imports over its exports out of a small reserve of gold and dollars, out of assets realized from the continued liquidation of dwindling investments abroad, but mainly out of grants and credits advanced by this country.

Suddenly, with winter coming on, Europe found itself without sufficient food, fuel, and other necessities of life, and without the dollars it had to have to buy more. This is called a dollar shortage, but, unless it is remedied, it quickly becomes a food shortage and a fuel shortage. The need has been particularly acute in the case of
France and Italy. At one point recently France had dollars enough to last no longer than a few weeks. Fortunately this Government was able to take emergency steps to avert a complete stoppage in the flow of food and material from the United States to France and Italy. But these emergency measures have cleaned out the bottom of the barrel without solving the problem.

The President, therefore, has asked Congress to convene on November 17 to consider the dual problems of high prices in this country and interim aid required by Europe between now and the time that the long-range program can be decided upon. It is estimated that France will need $357 million dollars and Italy $285 million to enable them to get through next March 31.

This would mean that the European economy could be maintained at a reasonable level until March 31. The approach to the problem of what should be done for the period after that is what has become popularly known as the "Marshall Plan".

Here I should like to digress for a moment to mention two things. The first is the suggestion which has been advanced that the Marshall Plan has been shrouded in secrecy. The second is the allegation from a certain foreign quarter that the aid which this country has made available to Europe and which it is proposed to provide constitutes some form of imperialism.

The suggestion that the Marshall Plan has been covered with secrecy is an interesting one. I think it would be difficult to find any national policy in this country which has been laid open to public scrutiny and discussion more completely than the Marshall Plan, from the moment it first emerged as an idea in the mind of Secretary Marshall and his advisers through every stage of its development up to the time that it is being submitted to Congress for consideration and decision.

A growing recognition of the difficulties involved in European reconstruction was fully set forth by Under Secretary of State Acheson in an address in Mississippi last May. At Harvard on June 5 Secretary Marshall advanced the suggestion that it would be a good idea if the countries of Europe got together, surveyed their resources and their needs, made plans to give a maximum amount of help to each other, and then let the United States know what minimum additional amount would be needed to achieve European recovery. That part of Secretary Marshall's speech was no more than it purported to be—an idea. There are apparently some, however, who are convinced that a full-fledged plan complete in all of its details, with thousands of pages of supporting statistics, existed in the State Department when the suggestion was advanced on June 5 and that only sheer perversity has withheld them.

As a matter of fact, however, what has been reported as happening is what, in fact, has happened. Sixteen countries of western Europe have appraised their resources and their needs. While the representatives of those countries were meeting at Paris, the interested departments and agencies of this Government were working on the problem. And at the same time studies were being made by three committees appointed by President Truman, including the committee of 19 leading American citizens. As the studies progressed, the exact nature of the many problems to be faced became clearer. As the problems took shape, the necessary meetings and discussions were held that would make it possible to provide answers to those questions.

We are a democracy, and answers to important questions of public policy do not spring full-fledged from the mind of any one man. They emerge from the discussions of persons who represent all significant interests and points of view. The answers have not come easily, and they certainly have not come instantaneously. Some of the answers to some of the questions we do not have yet. Some of the answers that we do have may be supplanted or supplemented by better answers as we go along. Incidentally, I should like to say that probably at few times in the history of this country, outside of times of war, have so many of the elements of our governmental and nongovernmental life been brought to bear upon the consideration of an important national problem as has been true with respect to this problem. Dozens of committees and subcommittees have worked literally day and night—hard and constructively and cooperatively. Members of Congress have gone to Europe to secure information at first hand, and these studies will be added to the work that has been done by the Execu-

"Bulletin of June 15, 1947, p. 1159, and Department of State publication 2882."
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tive Branch of the Government and by nongovernmental groups. It has been a fine example of how a democracy can tackle an urgent problem of national policy.

But the point that I wish to stress is that all of the problems and difficulties, as well as the efforts to work toward an answer, have been given full and contemporary publicity. The country has known what was taking place as it was taking place. Recent Gallup polls show that the ratio of persons who know about the Marshall Plan to those who do not increased about 20 percent during the past month and that today about three people out of every five in the country know of it. This took place, not as the result of propaganda, but through the normal channels of information of a democracy: through our American press, whose importance as an instrument of democracy is in many respects equal to that of the Government itself; through the opportunity for information and discussion made possible by the radio; through our many national organizations whose collective activities have become a great modern national town meeting for the dissemination and appraisal of views on public policy; through publications of various kinds; and through the many other means by which a democracy informs itself and makes up its mind.

All this has received the active and earnest attention of the State Department. We carry on our day-to-day responsibilities, as Secretary Marshall has said, with a lively awareness that the attitude taken by our Government toward all great questions of foreign affairs must be understood and must be in intimate accord with the feelings of the Nation at large.

It is, I am sure you will agree, a curious irony that precisely because the public was asked to consider the problem of European reconstruction before the answers were fully worked out, it should be thought by some that the answers had been held in secrecy.

Similarly with the charge of imperialism. Here is surely a new and curious form of imperialism. Here were no threats, no infiltration, no taking over by force. Merely a suggestion contained in a paragraph of a speech, open for all the world to see. And the suggestion was an offer to help on one condition only—that the countries who are to receive the help will do all they can to help themselves. Conceivably we might be criticized for not having been more direct and forceful, for not having worked out the answers ourselves and offered the assistance upon definite terms and conditions. But if what we have done is to be called imperialism, then black has become white and language has no meaning.

The suggestion contained in Secretary Marshall's speech of last June 5 is now rapidly becoming in fact a plan. The 16 nations of western Europe which met at Paris under the name of the Committee of European Economic Cooperation have prepared a program based upon a two-months study by technical working groups who attempted to calculate the requirements of those nations to achieve a self-sustaining economy by 1951. It contains carefully drawn estimates of what can be accomplished by these countries through a high degree of self-help and cooperative enterprise with the resources they have at hand.

How much will be necessary over and above what the countries themselves can provide? The Paris Conference estimated that over the four-year period, commencing in 1948, the countries of western Europe will need commodities and goods approximating 22 billion dollars in excess of what they can pay for. Of this amount the report assumes that it may be possible to raise some 3 billion dollars through the World Bank and similar agencies, leaving a deficit of about 19 billion dollars to be obtained in the form of grants and credits in the Western Hemisphere—principally the United States. It should be emphasized that present figures are only estimates by the European countries of what their requirements will be. These estimates are being carefully reviewed by experts in several departments of our Government and specialists in the President's Committee of Nineteen. The final procedure will probably be to determine against the background of the Paris report the amount that should be made available for the first year of the program. The expenditure of even that amount will be subject to constant reexamination of the situation as it is developed. The final decisions with respect to this amount and the recovery program as a whole will, of course, be for Congress to make.

Can the countries of western Europe be counted upon to do their part? In the report which they submitted, the participating countries have committed themselves to four major lines of action.
First and most important, a strenuous production effort has been pledged by each country to increase food, fuel and power, transport, steel, timber, and other commodities and essential services. These are the foundations of economic life, and they are interdependent.

Spelled out more specifically, major targets of the production effort, geared to take care of a 1951 population 11 percent greater than prewar, will include a large increase in the production of grain, cereals, livestock products, and oils and fats; an increase of one third over 1947 in coal output; an expansion of electrical output of 40 percent above 1947; an expansion of crude-oil refining capacity to 2 1/2 times the prewar level; an increase of 80 percent over 1947 in crude-steel production; an expansion of 25 percent over prewar in inland transport facilities; and restoration of prewar merchant fleets. In the main, European production will supply the capital equipment needed for these expansions.

Now these production targets, no matter how well conceived, cannot be realized unless the economies of all the participating countries are sound and stable. Instability in any country affects the participating countries as a whole, for it hampers and disrupts trade and prevents the affected countries from making their full contribution to the recovery effort. The representatives of the 16 nations, therefore, have pledged themselves as their second major goal to work for the restoration and maintenance of internal economic, financial, and monetary stability.

The third major objective is to create conditions which will assure maximum economic cooperation among the participating countries. The controlling principle has been the recognition of the interdependence of the individual economies of the countries concerned and the fact that if these countries are to proceed quickly along the road to recovery they must proceed together. The lack of convertible currencies and the shortage of commodities have reduced intra-European trade virtually to a barter basis, with detailed and highly restrictive export and import controls applying to practically all commodities. The member countries have agreed “to abolish as soon as possible the abnormal restrictions which at present hamper their mutual trade”, and “to aim, as between themselves and the rest of the world, at a sound and balanced multilateral trading system”.

Finally, the participating countries have pledged themselves to the eventual solution of the problem of trading deficits largely through the export of sufficient goods to pay for necessary imports. In fact, the objective of the entire recovery program is to enable Europe to pay its own way so that trade with the United States and other nations can be established on a sound and equitable basis with a minimum of disruption and shock to the economies of all concerned during the re-adjustment period.

All in all, the report of the Paris meeting is an extraordinary document when one considers the relatively short time in which it was prepared; that it constitutes agreement by 16 countries; and that each nation has pledged itself to use all its efforts in making its full contribution to the program.

Before making the necessary contribution from this country, however, we should ask ourselves what the impact upon the economy of the United States will be if this program is adopted. The proposals made by the Paris conference have been subjected to intensive study by our Government not only to check the estimates made by the Committee but to determine what we can safely and wisely undertake. These studies indicate that, from the standpoint of preserving our national security and our standards of living, our economy in general is physically able to provide the resource requirements of a considerable program of foreign aid. Though many items are in scarce supply in the United States, chiefly as a result of the war and the extraordinarily high level of domestic demands, the only serious problems of supply to be anticipated in connection with foreign aid will be those related to shortages that are world-wide in character and result chiefly from wartime destruction of production facilities. Shortages resulting from high consumption probably will be intensified, particularly in such commodities as wheat, steel, coal, nitrogen fertilizers, and certain items of industrial equipment. Most of the supply problems, however, are of short-term nature. They will be the most critical during the coming year and will tend to diminish during the contemplated period of foreign aid as increases in some domestic-production capacities are realized and as foreign needs for many critical items taper off and foreign production gets under way. The supply
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impact, moreover, can be minimized by careful screening of requirements and channeling of supplies so they will serve to maintain production here and provide the means for rehabilitation abroad.

Prices should not receive any serious inflationary impetus from the foreign-aid program for two reasons: (1) the proposed plan does not call for any sizable over-all increase in our exports—in this sense at least it is merely an extension of what we have been doing for the past two years; and (2) the recipients of this aid would not be permitted to buy competitively on the open market—purchases in the United States would be made by the United States Government and with due regard to availabilities.

No one can promise that this program, if adopted, will succeed in every respect as planned. We cannot make or expect guaranties. But we can make intelligent choices. We shall be engaged in a vast undertaking. We are not only attempting to restore the second most productive Continent in the world, the home of much of the world's civilization; we are laying the groundwork for a new world with greater opportunities and greater hope.

European Recovery and American Aid—Continued from page 841

porporate form of organization be given careful consideration.

VI. Summary

The basic conclusions of the President's Committee on Foreign Aid may be summarized as follows:

1. The hope of Western Europe depends primarily on the industry and straight thinking of its own people.
2. The United States has a vital interest—humanitarian, economic, strategic, and political—in helping the participating countries to achieve economic recovery.
3. The aid which the United States gives will impose definite sacrifice on this country.
4. The magnitude of Western Europe's deficit with the American Continent in 1948 will be of the order of $7 billions, but when all possibilities of financing are taken into consideration, the approximate need for appropriations past and future to cover the calendar year of 1948 may be on the order of $5.75 billions.
5. The extension of such aid, now or in the future, calls for anti-inflationary fiscal policies on the part of this country, and a new agency to administer the aid extended.

As a final word, both on the magnitude of the program recommended and on the policies outlined, it is well to bear in mind that success depends on giving way neither to over-optimism or to undue pessimism. It is one thing to propose a program, it is another to see it through. The immediate months and indeed years ahead are not apt to be easy either for this country or for the European nations. It is not wise to underestimate the steepness of the climb.

By the same token, however, it is essential to maintain perspective. The years following World War I were years of intense dislocation and dissolution both at home and abroad. Yet, by 1924, Europe, which seemed totally disorganized in 1919, was well on its way to recovery. Even more in point would seem to be the wartime experience of this nation and other democracies. In 1940, it seemed inevitable that a large part of what we call Western civilization was irreparably lost. In late 1941, following Pearl Harbor, the fortunes of this nation were at an all-time ebb. Yet four years later, complete victory had been gained, American arms stood triumphant in the East and in the West, and it was obvious that the United States had entered into a new period of power, prestige, and responsibility. The following years have contained many disappointments. Wartime alliances have melted away. Yet it is safe to say that at no time in history has there been more need for Western Europe and the United States to stand firmly together. And who will say that, if we apply to the making of the peace the same spirit which triumphed in war, we may not see an equally dramatic vindication of the ideals and principles of free men everywhere?
Admiral Kirk Represents U.S. on Special Balkan Committee of General Assembly

[Released to the press November 5]

The President on November 5 appointed Admiral Alan G. Kirk, Ambassador to Belgium and Minister to Luxembourg, as the U.S. Representative on the Special Balkan Committee, established by a resolution of the General Assembly of the United Nations on October 21, 1947.1

This resolution, which reiterates the obligations of member nations to carry out the purposes and principles of the Charter, was adopted by the General Assembly after the Security Council was prevented by a veto from taking action on the report of the U.N. Balkan Investigation Commission established on December 19, 1946, by unanimous decision of the Security Council. This report found by a majority vote that Albania, Bulgaria, and Yugoslavia had given assistance and support to the guerrillas in Greece. The resolution calls upon Albania, Bulgaria, and Yugoslavia to do nothing which might aid the guerrillas and to cooperate with Greece in the settlement of their disputes by peaceful means. To that end the resolution establishes a special committee to observe the compliance of the four Governments concerned with those recommendations and to be available to assist those Governments in implementing:

1. the early establishment of normal diplomatic and good-neighborly relations;
2. the establishment of frontier conventions providing for effective machinery for the regulation and control of their common frontiers and for the pacific settlement of frontier incidents and disputes;
3. cooperation in the settlement of problems arising out of the presence of refugees in the four countries; and
4. consideration of the question of concluding agreements for the voluntary transfer of minorities.

This Special Balkan Committee is scheduled to begin its work in Salonika about November 20. It will render a report to the next session of the General Assembly, is empowered to recommend a special session if in its opinion the situation warrants, and will submit any appropriate interim reports to the Secretary-General for transmission to all members of the United Nations. Australia, Brazil, China, France, Mexico, the Netherlands, Pakistan, the United Kingdom, and the United States will be represented on the Committee. Seats will be held open for Poland and the U.S.S.R., which have thus far refused to participate.

Ambassador Kirk's present appointment as U.S. Delegate on the Special Balkan Committee will be concurrent with his continuing assignment as Ambassador to Belgium. He will return to the United States within the next few days for consultation with appropriate officials of this Government and of the United Nations. He plans to sail with other delegates and with the U.N. Secretariat on the Queen Mary on November 12. Ambassador Kirk will be accompanied by Gerald A. Drew, Foreign Service officer and recently Counselor of Legation at Budapest, who has been appointed Deputy U.S. Representative on the Committee, and by Harry N. Howard of the Department of State. Lt. Col. A. C. Miller and A. W. Parsons will join the U.S. Delegation in Greece. Dr. Howard, Colonel Miller, and Dr. Parsons were all members of the U.S. Delegation on the U.N. Balkan Investigation Commission. Marcia M. Morse and Ellen McDaniels will serve as secretaries to the U.S. Delegation.

Establishment of an Interim Committee of the General Assembly

The General Assembly,

Conscious of the responsibility specifically conferred upon it by the Charter in relation to matters concerning the maintenance of international peace and security (Articles 11 and 35), the promotion of international co-operation in the political field (Article 13) and the peaceful adjustment of any situations likely to impair the general welfare or friendly relations among nations (Article 14);

Deeming it necessary for the effective performance of these duties to establish an Interim Committee to consider and report with its conclusions on such matters to the General Assembly during the period between the closing of the present session and the opening of the next regular session of the General Assembly;

Recognizing fully the primary responsibility of the Security Council for prompt and effective action for the maintenance of international peace and security (Article 24);

Resolves that

1. There shall be established, for the period between the closing of the present session and the opening of the next regular session of the General Assembly, an Interim Committee on which each Member of the General Assembly shall have the right to appoint one representative;

2. The Interim Committee, as a subsidiary organ of the General Assembly established in accordance with Article 22 of the Charter, shall assist the General Assembly in the performance of its functions by discharging the following duties:

   (a) to consider and report, with its conclusions, to the General Assembly on such matters as have been referred to it by the General Assembly;

   (b) to consider and report with its conclusions to the General Assembly on any dispute or any situation which, in virtue of Articles 11 (paragraph 2), 14 or 35 of the Charter, has been proposed for inclusion in the agenda of the General Assembly by any Member of the United Nations or brought before the General Assembly by the Security Council, provided the Committee previously determines the matter to be both important and requiring preliminary study. Such determination shall be made by a majority of two-thirds of the Members present and voting, unless the matter is one referred by the Security Council under Article 11 (paragraph 2), in which case a simple majority will suffice;

   (c) to consider, as it deems useful and advisable, and report with its conclusions to the General Assembly on methods to be adopted to give effect to that part of Article 11 (paragraph 1), which deals with the general principles of co-operation in the maintenance of international peace and security, and to that part of Article 13 (paragraph 1a) which deals with the promotion of international co-operation in the political field;

   (d) to consider, in connection with any matter under discussion by the Interim Committee, whether occasion may require the summoning of a special session of the General Assembly and, if it deems that such session is required, so to advise the Secretary-General in order that he may obtain the views of the Members of the United Nations thereon;

   (e) to conduct investigations and appoint commissions of enquiry within the scope of its duties, as it may deem useful and necessary, provided that decisions to conduct such investigations or inquiries shall be made by a two-thirds majority of the members present and voting. An investigation or enquiry elsewhere than at the headquarters of the United Nations shall not be conducted without the consent of the State or States in whose territory it is to take place;

   (f) to report to the next regular session of the General Assembly on the advisability of establishing a permanent committee of the General Assembly to perform the duties of the Interim Committee as stated above with any changes considered desirable in the light of experience.

3. In discharging its duties the Interim Committee shall at all times take into account the responsibilities of the Security Council under the

1 U.N. doc. A/454, Nov. 10, 1947. This resolution was recommended to the General Assembly by the First Committee (Political and Security) on Nov. 10, 1947, for adoption.
Charter for the maintenance of international peace and security as well as the duties assigned by the Charter or by the General Assembly or by the Security Council to other Councils or to any committee or commission. The Interim Committee shall not consider any matter of which the Security Council is seized.

4. Subject to paragraphs 2(b) and 2(e) above, the rules of procedure of the General Assembly shall, so far as they are applicable, govern the proceedings of the Interim Committee and such sub-committees and commissions as it may set up. The Interim Committee shall, however, have authority to adopt such additional rules as it may deem necessary provided that they are not inconsistent with any of the rules of procedure of the General Assembly. The Interim Committee shall be convened by the Secretary-General not later than six weeks following the close of the second regular session of the General Assembly. It shall meet as and when it deems necessary for the conduct of its business.

5. The Secretary-General shall provide the necessary facilities and assign appropriate staff as required for the work of the Interim Committee, its sub-committees and commissions.

Current United Nations Documents: A Selected Bibliography

General Assembly


Conference on Trade and Employment

Provisional List of Delegates and Observers. E/Conf.2/INF/1, October 30, 1947. 8 pp. mimeo.


Security Council

Report by the Consular Commission at Batavia to the


Official Records, Second Year. No. 31, 124th Meeting, April 2, 1947. 40 pp. printed. [35¢.]

— No. 35, 128th Meeting, April 10, 1947. 20 pp. printed. [15¢.]

Economic and Social Council


National Commission News

The December 1947 issue of the UNESCO National Commission News and each subsequent issue will be available through the Superintendent of Documents, Government Printing Office, Washington, D.C., for ten cents a copy; yearly subscription will be $1.

November 16, 1947
Meeting of the Air Worthiness-Operating Practices
Subcommittee of ICAO

The Air Worthiness-Operating Practices (AIR/OPs) Subcommittee of the International Civil Aviation Organization met at Paris from September 23 to October 4, 1947. Delegates from the following countries attended: Argentina, Belgium, France, Netherlands, Nicaragua, the United Kingdom, and the United States. The International Air Transport Association was represented by an observer.

This meeting, authorized by the ICAO Council on recommendations made jointly by the AIR and OPs Divisions at the close of their sessions in the spring of 1947, was called for the purpose of discussing further the question of whether the effect of atmospheric temperature should be taken into account in the different phases of aircraft operation and, if so, to attempt to resolve basically different concepts as to how this should be done. This question was the subject of considerable and inconclusive debate at the second sessions of the AIR and OPs Divisions, and for that reason it was believed desirable that an interim committee meeting should be held to assemble all of the data available and, if possible, to agree on one plan that could be offered for consideration by these Divisions at their next sessions. At the time of the division meetings, the United States took the position that the performance requirements already agreed upon for the transport-category “A”-type aircraft (commercial transports approved for all-weather international operation) contained sufficient margins to compensate for average high temperatures and was unwilling to support any plan for taking further account of variations in temperature, particularly in view of the limited experience in the operation of postwar aircraft.

After further discussions at home the United States Delegation came to the conclusion that a method of taking account of temperature could be developed which would result in increased safety margins and at the same time be sufficiently simple and practical for the operator to apply in day-to-day operations. Such a plan was developed and approved as the United States position for this meeting.

Although the meeting was called to discuss only the one subject, four technical subcommittees were formed to facilitate progress by simultaneous discussions of the various phases of the work. Committee 1 dealt with the meteorological problems connected with the application of temperature accountability; Committee 2 dealt with the take-off and climb phase; Committee 3, with en route and landing; and Committee 4, with the effect of temperature on power plants. This represented a logical break-down of the subject and permitted the work to progress much faster than would otherwise have been possible. Proper coordination was provided by a steering committee consisting of the chairman of the main committee and the heads of the subcommittees.

Proposals for taking account of temperature, as presented by the United Kingdom and France, were basically different from the United States conception, and as the discussions progressed it became evident that agreement on one plan could not be reached. Therefore, in accordance with the Committee’s terms of reference, it proceeded to develop two plans: one put forward by the United States, the other basically that advanced by the United Kingdom. The Committee sought to clarify as specifically as possible the advantages and disadvantages of each plan, as seen by the different groups.

Although the meeting failed to accomplish its desired objective—agreement on one plan—it is believed to have been worth while in that the groundwork done will serve to facilitate discussions at the forthcoming third sessions of the AIR and OPs Divisions. This is particularly important for the nations not attending this meeting because of the opportunity it will afford them to study and analyze the merits of the two proposals.
The history of modern international cooperation in the field of health begins in the middle part of the nineteenth century, when the French Government convened the first international sanitary conference at Paris in 1851, to formulate a plan of action against cholera, which was then ravaging the Continent. Representatives of 12 states drew up a convention which never came into force because of failure to receive the required number of ratifications. Within the next 40 years five other sanitary conferences were convened, but truly effective international action did not come before science had gained sufficient knowledge as to the cause and the mode of transmission of disease.

During the last decade of the nineteenth century, four sanitary conventions came into force. In 1892, nine years after the discovery by Robert Koch of the cholera vibrio, the causative organism of cholera, there was signed at Venice the first international sanitary convention, which dealt with protection against cholera invasions through the Suez Canal. This was followed in 1893 by the convention of Dresden, which dealt primarily with the protection against cholera invasions by land, and in 1894 by the convention of Paris, which was concerned chiefly with the regulation of the Moslem pilgrims. When plague, the Black Death of the Middle Ages, became epidemic in Bombay in 1896, a conference which resulted in a convention on measures to deal with this dread disease was convened in Venice in 1897.

The International Sanitary Convention of December 8, 1908, was the first one to incorporate all previous conventions, and it was superseded by conventions concluded in 1912, 1926, 1938, and 1944, relating to maritime navigation, and by conventions concluded in 1933 and 1944, relating to aerial navigation. These conventions form the present legal basis for international sanitary police measures, which are designed to control the spread of five specific diseases: cholera, plague, typhus, yellow fever, and smallpox. Under these conventions, signatory states are obliged to notify each other and the International Office of Public Health at Paris* (now being replaced by the Interim Commission of the World Health Organization) of the existence of any of these five diseases in the respective territories of such states. In addition these conventions set forth various quar-
antine and sanitary measures to be applied with respect to persons, seaports and airports, vessels and aircraft, baggage, and merchandise to control the international spread of these diseases.

Despite the fact that the purpose of the international sanitary conventions is to unite states on measures to prevent the spread of disease along the highways of international maritime and aerial navigation and to facilitate international commerce, only limited numbers of states have ever been parties to any one convention. States parties to earlier conventions have by no means always become parties to later conventions revising the earlier ones, even though the earlier conventions contain many provisions which scientific advances in the intervals between revisions have made obso-

le. As a result there exists a confused situation whereby certain states parties to the most recent conventions are still bound to obsolete provisions of earlier conventions.

To illustrate these points, a tabulation has been made (table I) to show how many of 70 states, including the 67 states invited to the International Health Conference of 1946, are parties, either by ratification or adherence, to the following conventions:

**Maritime Navigation**


**TABLE I**

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<th>State</th>
<th>Maritime Sanitary Conventions</th>
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1 Based upon the best available sources of information, including (1) Treaty Staff, Office of the Legal Adviser, Department of State, and (2) Procès Verbaux des Séances, Session Extraordinaire du Comité Permanent de l'Office International d'Hygiène Publique (April–May 1946).

* "P" indicates state is a party to specified convention; "−" indicates state is not a party to specified convention.

* The states included are the 67 invited to the International Health Conference, plus Germany, Japan, and Spain.

* The 1944 conventions are in force only with respect to those states which have become parties to the 1946 protocols prolonging these conventions.
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November 16, 1947
The United Nations and Specialized Agencies


Aerial Navigation


5. The International Sanitary Convention for Aerial Navigation of April 12, 1933.

Analysis of table I shows that:

For maritime navigation: 20 states are parties to the Protocol of April 23, 1946, to Prolong the International Sanitary Convention 1944; 39 states are parties to the International Sanitary Convention of June 21, 1926; 35 states are parties to the International Sanitary Convention of January 17, 1912;

For aerial navigation: 18 states are parties to

*The convention of October 31, 1938, modifying the International Sanitary Convention of June 21, 1926, has not been included in this study because it modified only certain administrative provisions of the 1926 convention and did not replace the substantive health provisions of that convention.

*The 1944 conventions for maritime and aerial navigation are in force only with respect to those countries which have become parties to the 1946 protocols prolonging these conventions.

Further analysis has been made to determine how many states are parties to all three of the conventions for maritime navigation, to two of these conventions, or to only one. A similar analysis was made for the two conventions for aerial navigation.

With respect to the conventions for maritime navigation, the situation shown in table II exists.

Thus the convention of 1912 is still in force as between 11 states parties only to the convention of 1912. In addition the convention is in force as between these 11 states and each of 14 of the states parties to the convention of 1926 and also as between the previously mentioned 11 states and each of 10 states parties to the convention of 1944. This is notwithstanding the fact that both the conventions of 1926 and of 1944 superseded, as between parties, the provisions of the convention of 1912. This situation is a consequence of article 168 of the convention of 1926 which states that the conventions of 1903 and 1912 "will remain in force as between the High Contracting Parties and any State which is a party thereto and is not a party to the present Convention". For a similar reason the convention of 1926 is still in force not only as

![Table II](https://via.placeholder.com/150)
between each of the 14 states parties to both the conventions of 1926 and of 1912 and 10 states parties only to the convention of 1926 but also as between these 24 states and each of 15 states parties to the convention of 1944.

More important, of the 70 states included in table I, 15 are not parties to any of these conventions for maritime navigation. These states are: Albania, Argentina, Bolivia, Byelorussia, Costa Rica, Cuba, Ethiopia, Iceland, Liberia, Paraguay, Peru, Saudi Arabia, Siam, Ukraine, and Yemen.

With respect to the conventions for aerial navigation, the convention of 1933 is still in force not only as between 16 states parties to that convention only but also as between each of these 16 states and 10 of the states parties to the convention of 1944. This is shown in table III.

Fewer states, moreover, are bound by sanitary conventions for aerial navigation than is the case for maritime navigation. Thus, of the 70 states studied, 36, more than half, are not parties either to the Protocol to Prolong the Convention for Aerial Navigation 1944, or to the convention of 1933. These states are: Afghanistan, Albania, Argentina, Bulgaria, Byelorussia, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Ecuador, El Salvador, Ethiopia, Finland, Guatemala, Hungary, Iceland, Iran, Ireland, Japan, Mexico, Norway, Panama, Paraguay, Peru, Portugal, Saudi Arabia, Siam, Spain, Switzerland, Ukraine, USSR, Uruguay, Venezuela, Yemen, and Yugoslavia.

This analysis illustrates the unsatisfactory situation which has resulted from the use of the convention method to control the international spread of disease. There are states, including some which occupy key positions in the stream of international maritime and aerial commerce, bound only by the obsolete conventions of 1912, 1926, and 1933, or by no sanitary conventions at all. The process itself is a cumbersome one, requiring formal ratification of the convention by states in accordance with their respective constitutional processes. In many cases this requires approval by the national legislative authority, which involves considerable delay in effecting the required ratification. Since many multilateral conventions require that a minimum number of states shall have become parties before such conventions come into force, an undue amount of time elapses between the date the convention is signed and the date it becomes effective. Thus, for example, the convention signed on January 17, 1912, did not become effective before October 7, 1920; the one signed on June 21, 1926, did not become effective before May 22, 1928; and the one signed on April 12, 1933, did not become effective before August 1, 1935. As a result the existing sanitary conventions have failed to keep pace with the technical advances in the control of communicable diseases.

This problem naturally was given serious consideration by the International Health Conference, which was convened by the Economic and Social Council of the United Nations and which met in New York in June–July 1946. It was generally agreed that a more effective method must be found to promote the rapid universal application of modern sanitary police measures. Accordingly there was inserted in the constitution of the World Health Organization (WHO) provision for a mechanism designed to remedy this chaotic state

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**TABLE III**

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<td>International sanitary conventions for aerial navigation to which states are parties</td>
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of affairs. Under article 21 the World Health Assembly is given authority to adopt regulations in certain prescribed fields, including "sanitary and quarantine requirements and procedures designed to prevent the international spread of disease". These regulations "shall come into force for all Members after due notice has been given of their adoption by the Health Assembly, except for such Members as may notify the Director General of rejection or reservations within the period stated in the notice" (article 22). These provisions in the WHO constitution are regarded by both international organization experts and public health experts as constituting a most significant advance in the field of international health.

The World Health Assembly will thus be empowered to adopt a set of regulations including all the provisions which would under previous procedures have been incorporated in revised international sanitary conventions. The WHO constitution itself will have under international law the status of an international convention. Consequently, when this constitution comes into effect upon acceptance by 26 states members of the United Nations, its provisions will enjoy the same legal force as the provisions of any multilateral convention. The regulations adopted by the World Health Assembly in pursuance of article 21 (which are not rejected by governments under article 22) will therefore constitute international obligations which will be as binding as any that would result from a new international sanitary convention. When such regulations come into force for individual governments, they will supersede, as to those governments, any earlier inconsistent provisions of the conventions to which such governments are parties.

These regulations would not, of course, terminate the sanitary conventions in toto: such termination would have to be effected by formal denunciations by the parties. These denunciations could take the form of unilateral action by the various governments. The World Health Assembly, under article 19 of the WHO constitution, could also adopt a protocol to be approved by governments, by which governments would collectively and simultaneously denounce these sanitary conventions, such denunciations to take effect as soon as the substantive provisions of these conventions had been adequately replaced by the WHO regulations.

One of the important services the World Health Assembly can thus render the peoples of the world will be to prepare and to approve modern quarantine and sanitary regulations and to promote their application by governments as quickly and as extensively as possible.

U.S. DELEGATION OF NORTH AMERICAN REGIONAL BROADCASTING TECHNICIANS

The Department of State announced on November 4 that the President has approved the composition of the United States Delegation to the Meeting of Technicians in connection with the North American regional broadcasting agreement which convened at Habana, November 1, 1947. The Delegation is as follows:

Chairman
George E. Sterling, chief engineer, Federal Communications Commission

Vice Chairman
Donald R. MacQuivey, Telecommunications Division, Department of State

Members
James E. Barr, chief, Standard Broadcasting Division, Federal Communications Commission
George Gadea, radio engineer, Federal Communications Commission
Raymond Harrell, telecommunications attaché, American Embassy, Habana
Joseph M. Kittner, Legal Division, Federal Communications Commission
K. Neal McNaughten, chief, Standard Allocation Section, Federal Communications Commission
Edgar F. Vandivere, Technical Information Division, Federal Communications Commission

Industry Advisers
Raymond F. Guy, manager, Radio and Allocation Engineering, National Broadcasting Company
Royal V. Howard, Division of Engineering, National Association of Broadcasters
Earl W. Johnson, technical director, Mutual Broadcasting System
George T. Leydorf, radio engineer, Clear Channel Broadcasting Service
James D. Parker, radio engineer, General Engineering Department, Columbia Broadcasting System
John G. Preston, chief allocation engineer, American Broadcasting Company
Andrew J. Ring, consulting engineer, Westinghouse Radio Stations, Inc.
Austria Granted Share in Redistribution of Looted Gold

PROTOCOL IMPLEMENTS PARIS CONFERENCE DECISION

[Released to the press November 4]

A protocol was signed on November 4 in London on behalf of the Governments of the United States, Great Britain, France, and Austria by Lewis Douglas, Ernest Bevin, M. Massigli, and Heinrich Schmid in the Foreign Office in London, whereby Austria is permitted to participate in the distribution of monetary gold looted by Germany.

Under the final act of the Paris conference on reparation of January 14, 1946, provision was made for participation by Austria in this distribution.

As a result of exchanges between the Governments of the United States, Great Britain, and France it was decided that Austria should receive a proportional share of the gold distributed on the same basis as the countries signatory to the act.

Actual allocation of monetary gold will be made by the Tripartite Commission for the Restitution of Monetary Gold, in Brussels, which has already announced that 26,187 kg. (approximately 26 million dollars' worth) of fine gold have been set aside as Austria's share in the preliminary distribution.

TEXT OF PROTOCOL

The Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland, and the French Republic, hereinafter referred to as "the Allied Governments concerned", on the one hand, and the Austrian Government on the other, have through the undersigned duly empowered representatives, agreed as follows:

1. The Allied Governments concerned agree that Austria should receive a proportional share of the gold distributed pursuant to Part III of the agreement on reparations from Germany, on the establishment of an Inter-Allied Reparations Agency and on the restitution of monetary gold signed at Paris on January 14, 1946, on the same basis as the countries signatory to the said agreement to the extent that Austria can establish that a definite amount of monetary gold belonging to it was looted by Germany, or, at any time after March 12, 1938 was wrongfully removed into German territory.

2. Austria adheres to the arrangement for the restitution of monetary gold set forth in Part III of the aforementioned agreement and declares that the portion of the monetary gold accruing to it under the agreement is accepted in full satisfaction of all Austrian claims against Germany for restitution of monetary gold.

3. Austria accepts the arrangements which have been or will be made by the Allied Governments concerned for the implementation of the aforesaid arrangement.

4. Done in London this 4th day of November, 1947, in the English and French languages of which both texts are authentic, in a single copy which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland by whom certified copies shall be transmitted to the other contracting Governments.

*Printed from Department of State press release 881 of Nov. 4, 1947.
Terms of Interim Air-Transport Agreement With Austria Announced

The Department of State announced on November 5 the terms of the interim air-transport agreement between the Government of the United States of America and the Austrian Federal Government, signed on October 8, 1947, in Vienna.

This agreement, the first air-transport agreement concluded by Austria since the war, is based on the form of agreement approved by the International Civil Aviation Organization (ICAO) and substantially follows the principles incorporated in the more than 30 other bilateral air-transport agreements entered into by the United States with other countries in the past several years.

The annex of the agreement, designating air routes, follows:

ANNEX OF INTERIM AGREEMENT WITH AUSTRIA

Section I

It is agreed between the Contracting Parties:

A. That the designated airlines of the two Contracting Parties operating on the routes described in this Annex shall enjoy fair and equal opportunity for the operation of the said routes.

B. That the air transport capacity offered by the designated airlines of both countries shall bear a close relationship to traffic requirements.

C. That in the operation of common sections of trunk routes, described in the present Annex, the designated airlines of the Contracting Parties shall take into account their reciprocal interests so as not to affect unduly their respective services.

D. That the services provided by a designated airline under this Agreement and its Annex shall retain as their primary objective the provision of capacity adequate to the traffic demands between the country of which such airline is a national and the country of ultimate destination of the traffic.

E. That the right to embark and to disembark at points in the territory of the other country international traffic destined for or coming from third countries at a point or points specified in this Annex, shall be applied in accordance with the general principles of orderly development to which both Governments subscribe and shall be subject to the general principle that capacity shall be related:

1. To traffic requirements between the country of origin and the countries of destination;
2. To the requirements of through airline operation; and
3. To the traffic requirements of the area through which the designated airline passes after taking account of local and regional services.

F. That the appropriate aeronautical authorities of each of the Contracting Parties will consult from time to time, or at the request of one of the Parties, to determine the extent to which the principles set forth in paragraphs A to E inclusive of this section are being followed by the airlines designated by the Contracting Parties. When these authorities agree on further measures necessary to give these principles practical application, the executive authorities of each of the Contracting Parties will use their best efforts under the powers available to them to put such measures into effect.

Section II

A. Airlines of the United States of America authorized under the present Agreement are accorded rights of transit and non-traffic stop in Austrian territory, as well as the right to pick up and discharge international traffic in passengers, cargo and mail at Vienna (or such additional Austrian customs airports as may be agreed upon) on the following route in both directions:

The United States, via intermediate points, to Austria and beyond.

On the above intercontinental route the airline or airlines designated to operate such route may operate non-stop flights between any of the points on such intercontinental route omitting stops at one or more of the other points on such route.

B. Airlines of the Republic of Austria authorized under the present Agreement are accorded rights of transit and non-traffic stop in United States territory, as well as the right to pick up and discharge international traffic in passengers, cargo and mail at a point in the United States on a route to be agreed upon between the Contracting Parties at a later date.

On the above intercontinental route the airline or airlines designated to operate such route may operate non-stop flights between any of the points on such intercontinental route omitting stops at one or more of the other points on such route.

Anniversary Greetings to the Soviet People

[Released to the press November 7]

There follows the text of a message from President Truman to Nikolai Mikhailovich Shvernik, President of the Presidium of the Supreme Soviet of the U.S.S.R., on the occasion of the national anniversary of the U.S.S.R.:

"On this national anniversary of the Union of Soviet Socialist Republics, please convey to the people of the Soviet Union the sincere greetings of the people of the United States."

Department of State Bulletin
Reconsideration Requested in Case of American Journalists Expelled From Yugoslavia

NOTE FROM THE AMERICAN AMBASSADOR TO THE YUGOSLAV ACTING FOREIGN MINISTER

[Released to the press November 31]

The American Embassy presents its compliments to the Acting Foreign Minister and has the honor to refer to the Ambassador's conversation with the Acting Minister of Foreign Affairs yesterday afternoon, inquiring as to the grounds for the expulsion from Yugoslavia of Mr. and Mrs. Arthur Brandel, the resident correspondents of New York Times and U.P. respectively.

In order that the Department of State may be possessed of all facts in the case and in view of the importance of two great news agencies involved, and attention which this matter is already receiving in the international press, the Embassy would be grateful if the Ministry would continue its investigation into the reasons for the action in question.

Reverting to the statement made by the Ambassador yesterday, the Embassy would again point out that the order of expulsion was delivered orally at an early hour yesterday morning by a man in uniform who called at the hotel where Mr. and Mrs. Brandel reside, and who told them that they must leave the territory of Yugoslavia within 24 hours, a manifest impossibility considering the transportation facilities available. Shortly thereafter the manager of the hotel informed them that he had been ordered to eject them at the end of that 24-hour period. As a result of the Minister's intercession yesterday evening, an extension of the expulsion order has been granted, to permit Mr. and Mrs. Brandel to depart by the first train for Italy, which leaves Belgrade tomorrow morning. Although as of this morning their passports have not been returned to them, and it will still be necessary, on a Sunday, to obtain permits for passage through Trieste and visas for entry into Italy, the Embassy understands that Mr. and Mrs. Brandel are making arrangements to depart by the train specified.

The abrupt character of this expulsion and the extreme immediacy which the Yugoslav authorities have stipulated, are hard to reconcile with the fact that the Acting Minister knew nothing of the incident until the Ambassador brought it to his attention yesterday afternoon. The only explanation thus far vouchsafed to Mr. Brandel was to the effect that his reports had not made for better understanding between Yugoslavia and the United States, conveyed to him orally by an official of the Directorate of Information yesterday, and later confirmed by telephone to resident foreign correspondents by the press office. Moreover, Mr. Brandel had had neither forewarning of action contemplated nor opportunity to discuss reports to which objection has been taken.

Last evening the Ambassador was informed that Mr. Brandel was persona non grata for reasons that certain reports which he had sent were not in accordance with truth, and that he had offensively criticised actions and personalities of Yugoslav Cabinet ministers. There has been no indication that either of these charges was based on any specific incident of recent date.

The Embassy trusts that the Ministry will appreciate the Embassy's difficulty in trying to convey to its government a report which clearly would entirely fail to explain preemptory expulsion of representatives of two American news services of broad international reputation. Confident that there are elements of which the Ministry has not yet had time to look into, the Embassy would therefore request that the Ministry continue its inquiries in order more specifically to ascertain grounds for complaint, with the view to determining whether, upon reexamination of the case, the correspondents in question may resume their work in Yugoslavia.

The Embassy avails [etc.]

November 16, 1947

1 Cavendish W. Cannon and Vladimir Velebit, respectively. Printed from telegraphic text. Note delivered on Nov. 2, 1947.
Responsibility for Review of Dismissal Cases Rests With Civil Service Commission

STATEMENT BY THE SECRETARY OF STATE

[Released to the press November 5]

On June 23, 1947, the Department of State dismissed 10 employees which it considered, after thorough administrative investigation, to be potential security risks to the Department.

The Department neither made nor contemplated making a public announcement of the action with respect to these employees. This was in an effort to protect them against inaccurate assumptions. It was only after the matter had been reported in the press that the Department made its press statement (on June 27). The Department has never released the names of the employees against whom the action was taken. The Department's action was, in large part, based on highly classified material not under its control. For this reason, the Department determined that it could not give the employees a full statement of charges. Without charges, a true hearing was impossible. Appeal to an appropriate authority outside the Department which would have the right to disclose charges was contemplated.

A special committee of three was established, and the employees concerned were notified that they might, if they wished, make a statement for their record to this committee. The Department did not consider this a hearing, nor did it represent it as such to the employees.

On July 9 the Department established a Personnel Security Board of three departmental officers. At the first meeting of that board, the Department requested the members to review the files of the employees who had been dismissed and to make a recommendation as to whether they should be permitted to resign, in view of the fact that it continued to be impossible to specify charges. On October 3 the board recommended that three persons be permitted to resign without prejudice. It further recommended "that the discharges of all of the others listed above be allowed to stand and that none of these former employees be now permitted to resign without prejudice".

Subsequently the board established policies and procedures which were made available to the press. In discussing those principles and procedures, I have stated that it is the Department's policy that employees will, wherever possible, be given written notice of charges, the right to representation by counsel, and formal hearing.

In the case of the previously dismissed employees, it is the Department's position that further review must come from established appeal bodies with authority to use classified documents and information. The Department has already stated that the statute under which it acted established the Civil Service Commission as the body to determine the eligibility of such persons for employment in other Government agencies.

Further, in announcing the Personnel Security Board (July 9), the Department stated: "Individuals will be permitted to appeal to the Loyalty Review Board, established under Executive Order 9835 of March 22, 1947, or any other review board established pursuant to law. The purpose of such appeal will be to permit the employee affirmatively to establish his loyalty." The Department is informed that a Loyalty Review Board, contemplated under the Executive Order referred to above, is now being established.

The Department will make available to the Commission or to the Board its files with respect to any employee appealing to the Commission or to the Board. Any information in that file fully under the control of the Department may be made available to the employee as specific charges. Security clearance of any other material in the file will be the responsibility of the Commission or the Board.

2 Departmental announcement 611.

Department of State Bulletin
LETTER FROM ACTING SECRETARY LOVETT TO EMPLOYEES’ COUNSEL

[Released to the press November 3]

In response to newspaper queries, the Department of State is releasing the text of the following letter:

October 31, 1947.

DEAR SIRS: Your letter of October 4th addressed to the Secretary of State was referred to me for review and consideration. The points you raise have been reviewed with the responsible officers of this Department. Certain facts have been developed.

You are, of course, correct in stating that the action taken was not in conformity with procedures later established by the Personnel Security Board of the Department. That Board was set up, its members appointed, and its procedures promulgated subsequent to the dismissals.

You have requested that the Department either permit all of the individuals to resign or that it give them a complete statement of charges, together with a hearing on those charges. In view of the full consideration already given these cases by top officers of the Department, and the appeal procedure provided by the Civil Service Commission, I must refuse this request.

The Department regrets that the employees concerned have found it difficult to find other employment as a result of its action. It has attempted to emphasize that the determination in their cases went only to the question of their suitability for employment in the Department in matters of security. This determination was based upon evidence which the Department is not able to disclose for reasons of national security.

I invite your attention to the provision in the Appropriations Act of the Department under which the dismissals were made:

"Notwithstanding the provisions of section 6 of the Act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Secretary of State may, in his absolute discretion, on or before June 30, 1947, terminate the employment of any officer or employee of the Department of State or of the Foreign Service of the United States whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission."

The Department has the responsibility to resolve, insofar as it is able, any security doubts with respect to an employee. The Congress recognized that we would be unable to resolve completely the question with respect to some employees; for that reason Congress made it possible for the Secretary to act summarily without full resolution of that question, if he deemed it necessary to do so. The Statute appears to designate the Civil Service Commission as the agency to determine whether the facts upon which the Department acted were such as to make an employee ineligible for employment in another government agency. We have this week been informed that the Commission is prepared to consider these cases, if the employees request such consideration. The Department will cooperate with the Civil Service Commission by making available to it the information upon which it acted in the cases under discussion.

Sincerely yours,

ROBERT A. LOVETT
Acting Secretary

Messrs. ARNOLD, FORTAS, and PORTER
1200 Eighteenth Street, NW.
Washington 6, D. C.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.


Foreign Affairs Outline summarizing European requirements as formulated in the report of the Committee of European Economic Co-operation, which resulted from Secretary Marshall’s proposal for restoring European economy; and plans for U.S. assistance.
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Howard W. Sinclair, author of the article on cooperation with the American republics in civil aviation, is Director of the Aviation Training Staff, Civil Aeronautics Administration, Department of Commerce.

Dr. Morton A. Kramer, Marcia Maylott, and John W. Foley prepared the article on international health security. Dr. Kramer is Chief of Information and Research, Office of International Health Relations, U.S. Public Health Service. Marcia Maylott is a Specialist on International Organization, Office of the Legal Adviser, Department of State. John W. Foley is a Treaty Adviser, Office of the Legal Adviser, Department of State.
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Vol. XVII, No. 438 • Publication 2984

November 23, 1947

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
FOREIGN AID AND RECONSTRUCTION

Effects on World Economy of Long-Range and Interim Aid Programs

STATEMENT BY THE SECRETARY OF STATE

The Congress in the coming session will be called upon to make decisions which, although less spectacular and dramatic, will be no less important for the future of our country and the world than those of the war years. Your responsibilities as members of the Committees directly concerned with our foreign relations are accordingly very great.

It appears unnecessary to elaborate for you on the somber picture of the world situation. You all, I am sure, are fully aware of its gravity and the immense responsibility which the course of events has placed upon our country.

The President will lay before the Congress the program of his administration for aid to Europe. My duty as Secretary of State is to present the reasons for this program; the reasons why I profoundly believe that the vital interest of the United States is directly involved.

In concentrating upon the problem of aid to Europe I do not ignore the fact that there are other areas of the world beset by economic problems of tremendous gravity. But the very magnitude of the world problem as a whole requires a careful direction of our assistance to the critical areas where it can be most immediately effective.

The need for our assistance in the European area is real and it is urgent. The report of the 16 nations represented on the Committee of European Economic Cooperation sets this forth, I think, in a convincing manner.

As a result of the war, the European community, which for centuries had been one of the most productive and indeed creative portions of the inhabited world, was left prostrate. This area, despite its diversity of national cultures and its series of internecine conflicts and wars, nonetheless enjoys a common heritage and a common civilization.

The war ended with the armies of the major Allies meeting in the heart of this community.

The policies of three of them have been directed to the restoration of that European community. It is now clear that only one power, the Soviet Union, does not, for its own reasons, share this aim.

We have become involved in two wars which have had their origins in the European Continent. The free peoples of Europe have fought two wars to prevent the forcible domination of their community by a single great power. Such domination would have inevitably menaced the stability and security of the world. To deny today our interest in their ability to defend their own heritage would be to disclaim the efforts and sacrifices of two generations of Americans. We wish to see this community restored as one of the pillars of world security—in a position to renew its contribution to the advancement of mankind and to the development of a world order based on law and respect for the individual.

The record of the endeavors of the United States Government to bring about a restoration of the whole of that European community is clear for all who wish to see. We must face the fact, however, that despite our efforts, not all of the European nations have been left free to take their place in the community of which they form a natural part.

Thus the geographic scope of our recovery program is limited to those nations which are free to act in accordance with their national traditions and their own estimates of their national interests. If there is any doubt as to this situation, a glance at the present map of the European Continent will provide the answer.

The present line of division in Europe is roughly the line upon which the Anglo-American Armies coming from the west met those of the

November 23, 1947

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1 Made before a joint session of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs on Nov. 10, 1947, and released to the press on the same date.
FOREIGN AID AND RECONSTRUCTION

Soviet Union coming from the east. To the west of that line the nations of the continental European community have been grappling with the vast and difficult problem resulting from the war in conformity with their own national traditions without pressure or menace from the United States or Great Britain. Developments in the European countries to the east of that line bear the unmistakable imprint of an alien hand. All the nations of Europe, 16 in number, which were in a position to exercise free choice gave a prompt and energetic response to the simple suggestion made at Harvard on June 5 last and thereby an impressive demonstration of the continuing vitality of European civilization.

It would be well, therefore, to deal briefly with what the area encompassed by those 16 nations plus western Germany has meant to us and has meant to the world. This community before the war accounted for nearly one half of the world's trade. They owned nearly two thirds of the world's shipping. Their industrial production in terms of the basic commodities of coal, steel, and chemicals was before the war slightly greater than that of the United States. Their economy was highly integrated, each part depending upon the efficient working of the other.

I think that the figures cited will indicate the importance, even from a purely economic point of view, of the 16 nations who have joined together to develop a program for their mutual recovery. Their response to our suggestion of June 5 was a remarkable cooperative effort in a post-war world in which that element has hitherto been distressingly lacking.

Congress will wish to go into the objectives and the details of the European Recovery Program at some length, but I feel that a brief summary of the tentative conclusions we have reached may serve the useful purpose of making clear the distinction between the long-range recovery program and the stop-gap program, which we refer to as interim aid.

**Long-Term European Recovery Program**

The Committee of European Economic Cooperation, meeting in Paris, produced a recovery program extending over four years. After the most careful checking, with the assistance of experts drawn from many governmental agencies, we have concluded that the Paris report correctly identifies the courses of action necessary to produce recovery and indicates an approximate order of magnitude of the cost for the full four-year program. On the basis of present indications, the estimated cost to our Treasury of this program may be of the order of magnitude of 16 to 20 billion dollars. We feel, however, that the uncertainties of weather and crops, supply availabilities, prices, et cetera inject a degree of assumption which makes the total cost impossible to forecast with accuracy at this time. I therefore will not recommend to the President that the Congress appropriate for the full four-year period.

I feel, however, that we can estimate with reasonable accuracy and assurance the sum required for the first stage of the recovery program, which will cover a 15-month period from April 1, 1948, to June 30, 1949.

Our tentative estimate of the cost, subject to final checks in the light of the Harriman report, is something under 1.5 billions for the last three months of the fiscal year 1948 and somewhat less than 6 billions for the fiscal year ending June 30, 1949. The findings contained in the Krug report, the Nourse report, and the Harriman report, together with the studies made by our interdepartmental committees, make it clear that a program in this order of magnitude can be safely undertaken by this country. I shall therefore recommend to the President that the United States support the European Recovery Program and that an amount be appropriated for the 15-month period ending June 30, 1949.

It is of cardinal importance that an able and effective U.S. administration manage the funds which may be made available by the Congress. How best to achieve this and the other essential elements of an organizational and administrative structure for the program of aid to European recovery is a matter which the Congress will wish to examine with great care. There are several important principles which I believe should determine the nature of this organization:

(a) The operation of this program will in many ways define and express the foreign policy of the United States in the eyes of the European countries and the world. Therefore, the operation must fully accord with the foreign policy of the President as expressed through the Secretary of State.

(b) The organization, if it is to afford successful
and dynamic management to the complex recovery program, must be granted the widest practicable flexibility both in its operations and in the use of the funds placed at its disposal. The program of U.S. support will achieve its objective only if it is kept responsive to changing situations and varying supply conditions.

(c) Full use should be made of the existing governmental agencies in carrying out those parts of the program which fall within the scope of their present activities. The Departments of Commerce, Treasury, Agriculture, Interior, the National Military Establishment, and other agencies are well equipped to perform many of the necessary functions. The National Advisory Council and other competent interdepartmental agencies will have important parts to play.

(d) Strong central administrative direction is essential in a complex and varied program of this kind. There must be a high degree of integration in our operation, both in the United States and overseas. Unity of command, rather than diffusion of authority and responsibility, is required.

The President will submit to the Congress his recommendations concerning the administration of the European Recovery Program.

There will be important functions for the United States to perform in Europe. Much of this work will be negotiation with governments of a nature constituting essentially an extension of the conduct of the entire relationship of the United States with the participating countries. Such matters are now handled through our Embassies and Legations and clearly should continue to be. There will be certain additional functions arising directly out of the operating program, such as screening of specific import requirements, arrangements for furnishing technical assistance, and other similar specialized activities which will require the appointment of qualified men who can devote their full attention to such matters. These men in their dealings with participating governments should work through our Ambassador because it is essential to maintain a single channel of responsibility for U.S. negotiations with other governments.

For general coordination of the operations in Europe and for central representation in the continuing European organization which the participating countries have decided to establish, consideration should be given to the designation of a special U.S. representative for the European Recovery Program, with ambassadorial rank, appointed by the President with the advice and consent of the Senate.

As a general principle, aid should take the form of grants or loans, depending in each case upon the capacity of the particular country to repay and the effect which accumulation of additional external debt would have upon sustained recovery. The precise determination in each case should be made by the administrative agency with the advice of the Department of State and the National Advisory Council. In practice it is felt that, where need is clearly demonstrated and where repayment can not reasonably be expected, imports of supplies which are quickly consumed, such as food, fertilizer, and fuel, of indispensable items of capital equipment for immediate replacement and repair, and of essential raw materials should be financed by means of grants. Loans should be made to cover imports of capital equipment and raw materials which will directly produce the means of repayment and where such repayment can reasonably be expected. At the same time every encouragement should be given to early initiation of private financing so as to eliminate as far as possible the necessity for direct assistance from the U.S. Government. Use should also be made of the resources of the International Bank whenever in the opinion of the Bank the necessary and appropriate conditions for loans can be met.

It is obvious that the basic responsibility for European recovery rests on the European countries themselves. However, this Government must have assurance that the aid it provides is effectively utilized for the achievement of European recovery as rapidly as possible.

It is contemplated that, to this end, bilateral agreements will be negotiated between the United States and each of the countries participating in the recovery program, setting forth the reciprocal undertaking relating to American assistance. These agreements will vary in form and content as between countries, depending upon the nature of the aid to be furnished and the conditions deemed important in each case.

The commitments should include undertakings to adopt monetary, fiscal, and other measures to maintain stability in price and cost structures; to develop production to reach targets set by the participating countries, and in particular to increase the production of coal and basic foods; and to
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cooperate in reducing barriers to trade and promoting increased interchange of goods and services. Many other points and more detailed provisions to be covered in the agreements will be presented and discussed during the hearings.

Assistance to Europe will, to a considerable extent, take the form of commodities. The proposal to be submitted to the Congress contemplates the use of funds provided under the program for purchases outside the United States of commodities not readily available in sufficient quantities in this country. This policy will tend to protect our home economy against inflationary price movements which might result from concentrated buying in our markets. It seems clearly in our interest that the greatest possible amount of these supplies be obtained for Europe from other countries. Such countries should be encouraged to contribute directly as much as they can to the recovery program through grants-in-aid or by extending credits for exports to Europe.

Effects on World Economy

I have so far confined my remarks to the European Recovery Program itself. But the economic effects of this program will extend far beyond the boundaries of the 16 countries involved. It is in one important sense a world recovery program. The delay in European recovery has created serious problems for many countries which normally supply the European market with raw materials and other commodities. Where Europe's trade with the rest of the world would normally have been balanced by an equivalent exchange of goods and services, the low level of European production and the limited availability of exports has drastically reduced such payment possibilities. Furthermore, the habitual triangular trade patterns have almost disappeared whereby Europe met its deficit for goods obtained from the Western Hemisphere by means of balances obtained from other parts of the world. Similar patterns of triangular trade used to provide certain other countries in the Western Hemisphere with balances from Europe which were used to purchase goods in the American market. With the break-down of these trade patterns, supplying countries, to a substantial degree, have had to accept nonconvertible currency or extend credit in order to sell in the European market. Neither of these procedures has given them dollars with which to pur-

chase in the American market. The net result has been that trade continued around the world in large part on the basis of American grants or credits which made dollars available to other countries to meet their import requirements. The diminishing supply of dollars is restricting trade everywhere.

The European Recovery Program will be quickly reflected in other countries, if the important element of flexibility in purchasing is provided. To the extent that supplies for Europe are procured from nonparticipating countries for dollars, the trade position of these countries with the United States will be improved. In this way we feel that the problems of the other Western Hemisphere countries can be met through a combination of the European Recovery Program purchases and normal Export-Import Bank transactions.

More important in a fundamental sense, with increases in production in Europe such as those contemplated in the Paris report, exports from Europe will increase, and the necessity for the various supplying countries to accumulate nonconvertible currencies or to extend credit will diminish. Just as the progress of each individual country among the 16 will affect the progress of the others, so the recovery of Europe will inevitably be a significant link in a chain reaction creating or maintaining economic activity in other countries.

The situation in China continues to cause us deep concern. The civil war has spread and increased in intensity. The Chinese Communists by force of arms seek control of wide areas of China. The United States and all other world powers recognize the National Government as the sole legal Government of China. Only the Government and people of China can solve their fundamental problems and regain for China its rightful role as a major stabilizing influence in the Far East. Nevertheless we can be of help and, in the light of our long and uninterrupted record of friendship and international cooperation with China, we should extend to the Government and its people certain economic aid and assistance. A definite proposal is under preparation for early submission.

I do not have to tell you that this foreign economic program of the United States seeks no special advantage and pursues no sinister purpose. It
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is a program of construction, production, and recovery. It menaces no one. It is designed specifically to bring to an end in the shortest possible time the dependence of these countries upon aid from the United States. We wish to see them self-supporting.

This is certainly not the program of a country seeking to exercise domination or to influence unduly any foreign country. The nations and political groups which have now declared their opposition to the program apparently wish to block for their own reasons the revival of western Europe.

Interim Aid Program

I have gone at some length into the major features of the long-range plan for European reconstruction and the part that the United States can prudently and wisely contribute because I fully realize that the speedy and adequate consideration of the interim aid program, which will be the first item of business presented to you, cannot be dealt with by the Congress without understanding its relationship to the program of long-range reconstruction of Europe.

I would, however, urge upon you the necessity of a speedy decision in regard to the interim aid program. What is immediately needed is aid to maintain the status quo in food and in the material necessary to keep the wheels turning and people at work.

It will do little good to discuss the merits of a recovery program for Europe if in the meantime political and economic conditions have deteriorated to a point where such a program could not possibly succeed. The problem of overseas payment has become particularly acute in the case of Austria, France, and Italy. It is clear that the people of these countries in the absence of immediate assistance will, during the next few months, begin to suffer from a lack of food and other necessities of life, and the whole economic and social life of the people will be seriously affected. Within a short time these countries will have exhausted all of the dollar resources which they can muster to maintain the flow of essential supplies.

Austria, whose economy is carrying the weight of a military occupation of four powers, has been able to survive in recent months largely through the assistance rendered to her under the U.S. foreign-relief program. These funds will be exhausted shortly after the beginning of the year. The dollar resources of France will permit her to procure essential food and fuel from abroad only until the end of December. Because of her rapidly dwindling reserves, she took steps at the end of August to reduce sharply the placement of contracts for most other imports. Italy's financial situation is even more serious than that of Austria or France. Last June the Italian Government took steps to eliminate the purchase of most of the raw materials and supplies which she required for the operation of her economy. The U.S. foreign-relief program has been able to provide food and coal until the present time. Funds are not in sight, however, beyond the first of December to maintain the flow of these necessary commodities.

In order to meet this emergency, I recommend that you give immediate and urgent consideration to a bill authorizing the appropriation of sufficient funds to provide the supplies necessary to permit the people of these three countries to continue to eat, to work, and to survive the winter. This is not a recovery program. It is designed to help provide the essentials of existence to the people of these three countries.

To accomplish this purpose, it is recommended that the Congress authorize an appropriation of 597 million dollars. Of this amount Austria needs 42 million, France needs 328 million, and Italy needs 227 million dollars. These funds should be sufficient to meet the situation until March 31, 1948, before which time we hope that some decision may have been taken by the Congress regarding a broad recovery program. In the absence of a recovery program, the problem of maintaining existing levels in Europe rapidly becomes more complex after March 31. Additional countries will by that time practically have exhausted their dollar resources, and the cumulative effect of the uncertainties as to the future and the continued low levels of production and consumption will have serious consequences throughout Europe.

The program of interim aid would be concentrated largely on such items as food, fuel, fertilizer, fibers, seeds, and medical supplies. With such resources as they can make available, the countries should be able themselves to procure other imports needed to prevent economic deterioration. The program should be sufficiently flexible to take account of such changes in requirements and availabilities as may occur.

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Interim aid should be given to these countries under agreement to make efficient use of the commodities which we would supply. The bilateral agreements would also require that the local currency equivalent of the value of the commodities which we supply would be used only for such purposes as we and the recipient country might agree. They should also include a provision that the receiving government make known to its people the purpose and source of our supplies and that it would make available full information concerning their distribution and use.

The operation of a program of the type which is proposed can be handled expeditiously by existing agencies of the Government. The procedures and machinery which are being used in the current relief program have been set up in accordance with the relief bill enacted last summer.

The urgency of the situation is so great that I recommend that no new agency be set up to handle this interim program. The time required to organize such an agency, to hire personnel, and establish new procedures would defeat its very purpose. Whatever agency might be created to administer the long-term European Recovery Program could, of course, take over the operation of interim aid as soon as it comes into existence.

I have endeavored to present in broad outline the long-range European Recovery Program and, in somewhat more detail, the interim aid program. The proposals will be presented in full to your respective committees.

Draft European Interim Aid Bill

To promote the general welfare, national interest and foreign policy of the United States by providing supplies to certain European countries on an emergency basis;

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as “The European Interim Aid Act of 1947.”

Section 2. It is the purpose of this Act to provide immediate assistance in the form of food, fuel and other commodities urgently needed by the peoples of Austria, France and Italy, hereinafter referred to as the recipient countries, to alleviate conditions of intolerable hunger and cold and prevent serious economic retrogression which would jeopardize any general European economic recovery program based on self-help and cooperation.

Conclusion

In considering them I know you are aware of the momentous importance to the world of your decisions. While we are dealing at the moment with the drab though vital facts of economic life, they carry with them fateful consequences.

The automatic success of the program cannot be guaranteed. The imponderables are many. The risks are real. They are, however, risks which have been carefully calculated, and I believe the chances of success are good. There is convincing evidence that the peoples of western Europe want to preserve their free society and the heritage we share with them. To make that choice conclusive they need our assistance. It is in the American tradition to help. In helping them we will be helping ourselves—because in the larger sense our national interests coincide with those of a free and prosperous Europe.

We must not fail to meet this inspiring challenge. We must not permit the free community of Europe to be extinguished. Should this occur it would be a tragedy for the world. It would impose incalculable burdens upon this country and force serious readjustments in our traditional way of life. One of our important freedoms—freedom of choice in both domestic and foreign affairs—would be drastically curtailed.

Whether we like it or not, we find ourselves, our Nation, in a world position of vast responsibility. We can act for our own good by acting for the world’s good.

Section 3. The President, acting through such departments, agencies, or independent establishments of the Government as he shall direct, may, by allocation of funds to any such departments, agencies, or independent establishments, or by making funds available to the government of a recipient country, whenever he finds it in furtherance of the purposes of this Act and upon the terms and conditions set forth in this Act and upon such other terms and conditions as he may determine—

(a) Procure, or provide funds for the procurement from any source, by manufacture or otherwise, food, seed and fertilizer; coal, petroleum and petroleum products; other fuel; fibers; and such other commodities as are necessary for the accomplishment of the purposes of this Act as set forth in Section 2;

(b) Transport, or provide funds for transportation of, such commodities;
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(c) Transfer such commodities to any recipient country;

(d) Incur and defray expenses, including accessorial and administrative expenses and expenses for compensation and travel of personnel, for carrying out the purposes of this Act.

Section 4. (a) There is hereby authorized to be appropriated not to exceed $597,000,000, out of any money in the Treasury not otherwise appropriated, to carry out the provisions and accomplish the purposes of this Act.

(b) Funds authorized under this Act, when allocated to any Department, agency, or independent establishment of the Government, shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of such Department, agency, or independent establishment or organizational unit thereof concerned, and without regard to sections 3709 and 3648 of the Revised Statutes, as amended (41 USC 5; 31 USC 529).

Section 5. After March 31, 1948, no funds may be obligated under this Act.

Section 6. Before any commodities or funds are made available to any recipient country under the authority of section 3 of this Act, an agreement shall be entered into between such country and the United States containing an undertaking by such country—

(a) To make efficient use of any commodities made available under the authority of this Act and to take in so far as possible the economic measures necessary to increase its ability to achieve a self-sustaining economy;

(b) To make, when any commodity is made available under this Act, a commensurate deposit in the currency of such country in a special account under such terms and conditions as may be agreed to between such country and the Government of the United States, and to hold or use such special account only for such purposes as may be agreed to between such country and the Government of the United States;

(c) To give full and continuous publicity within such country as to the purpose, source, character and amounts of the commodities made available by the United States under this Act;

(d) To furnish promptly upon request of the President information concerning the method of distribution and use of commodities made available under this Act.

Section 7. The President shall promptly terminate the provision of assistance under this act for any country whenever he finds that such country is not adhering to the terms of its agreement entered into in accordance with Section 6 of this act.

Section 8. All commodities made available pursuant to this Act or the containers of such commodities shall, to the extent practicable, be marked, stamped, branded or labeled in a conspicuous place as legibly, indelibly and permanently as the nature of such commodities or containers will permit, in such manner as to indicate to the people of the country of destination that such commodities have been furnished or made available by the United States.

Section 9. The President may, from time to time, promulgate such rules and regulations as he may find necessary and proper to carry out any of the provisions of this Act; and he may delegate to the Secretary of State or any other official or officials of the Government any of the powers or authority conferred on him under this Act.

Section 10. Personnel employed to carry out the purposes of this Act shall not be included in computing limitations on personnel established pursuant to the Federal Employees Pay Act of 1945 (59 Stat. 298), as amended by Section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219).

Section 11. The President, from time to time, but not less frequently than once every calendar quarter, and until the end of the quarterly period after all operations under the authority of this Act have been completed, shall transmit to the Congress a report of operations under this Act. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, if the Senate or the House of Representatives, as the case may be, is not in session.

Section 12. If any provisions of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.
The general topic for the discussions that have been taking place during the course of today under the auspices of the Academy of Political Science—"America's New Foreign Policy"—has raised the question in my mind whether we can properly say that we have a new foreign policy or whether it would not be more exact to describe what has been transpiring during recent months or years as the adaptation of certain basic principles of our foreign policy to changing conditions in the world.

For I think you will agree that the foreign policy of the United States cannot be codified or given formal legal expression in any single official document but must remain flexible and capable of adjustment to the changing circumstances of the times.

Perhaps one of the most important factors in the formation of foreign policy, certainly in its execution, is the role of public opinion. As Secretary Marshall stated recently, "No policy, whether foreign or domestic, has the slightest chance of being effective unless it enjoys popular support." I don’t believe anyone will challenge that statement. Certainly with the growing importance of our international relationship in the lives of our people, the impact of public opinion on policy determination in this field tends correspondingly to increase.

The current situation affords a good opportunity to study the development of our foreign policy—to watch it evolve and grow almost like a living thing as it adapts itself to changing world conditions, yet retains its essential character. Viewed in this light, foreign policy can be recognized for what it actually is—not a nebulous and remote abstraction but something vital and dynamic, partaking of some of the human warmth of the people who shape and influence it and whose interests it is intended to serve. For in the final analysis our foreign policy is nothing more nor less than the procedure through which the American people get along with their neighbors in other countries throughout the world.

It is particularly important that we understand this concept at the present time, which is a period of intense and often confusing activity in international affairs. That is why it is so important that the American people understand not only the facts concerning international relations but also, as Secretary Marshall has said, the truth about the facts. There is a compelling need for clarity in recognizing the facts and their relative importance and for an inspired perception in ascertaining the truth about the facts. This requires, first of all, a knowledge of history—certainly more recent history—and next, some hard, straight thinking—something not always easy to achieve in the hurly-burly of modern life.

In order to see our present problems and policies in proper perspective and correctly appraise our current position, it is necessary to retrace our course during the past few years. Only 30 months ago we were part of a great coalition that was successfully concluding the prodigious and costly task of beating back the attempt by the aggressor nations to enslave the world. The total resources of the Allied nations were dedicated to that cause, and complete unity of effort was required to achieve the common victory.

There is no disposition on our part to evaluate in narrow terms the respective contributions of the Allied peoples to the triumph we all shared. Certainly where bravery and unstinting sacrifice are concerned, comparisons are out of the question. Common danger is a great equalizer, and each of the participants gave what it could, to the utmost of its ability. With full realization of the efforts and sacrifices of others, however, we in America can never forget how, during that one
long year from 1940–41, the forces of tyranny were thwarted by the intrepid resistance of Britain and the Commonwealth alone. Ultimate victory for the Allies was then assured only because the people of Britain lived daily with such unassuming heroism that valor touched them all.

Just as each nation made its contribution to the common effort according to its resources and abilities, so each has responded in its own way to the hardships and difficulties that in many instances are hardly less onerous than the war itself. Here we find the postwar role of the United States has been generally a natural and logical extension of its primary role in the war.

While the fighting was still raging in Europe and the Far East, but the Allies were obviously nearing final and decisive victory, the Government of the United States was able to turn part of its attention to the consideration of the difficulties that would inevitably result once the hostilities were over. What was done in that respect largely was overlooked in the absorption of the people's interest in the battles then taking place and has, I believe, still not been fully recognized for what it was.

Actually, the planning done by this Government, beginning in 1944, to cope with postwar problems constituted one of the broadest and most detailed undertakings of its kind ever attempted. Even a cursory listing of the major elements that emerged gives some measure of the scope and significance of our effort to prepare for the necessary adjustments of the postwar period. Obviously we do not deserve full credit for the maturity of these plans, in which other nations actively participated, but because Washington was distant from the fighting lines it was natural that the consideration of long-range projects should be initiated there.

First of all, of course, was the United Nations, conceived as the foundation of the peaceful and stable structure we sought to erect. UNRRA was brought into being to alleviate the dire suffering resulting immediately from the war; the Food and Agriculture Organization, to plan for increased production and more equitable distribution of the world's food supply; the World Bank and the International Monetary Fund, to finance long-range reconstruction and development programs and to stabilize the currencies of the world; and the International Trade Organization, to minimize the artificial restraints on trade and to expand the flow of goods on an international scale.

After hostilities ceased and we began to translate our plans into action, we found the needs larger and in some cases of a more difficult nature than we had anticipated. We came to realize that planning, even of the widest scope, was dwarfed by the magnitude and complexity of the task that confronted us. Events proved that our original conceptions were sound and possessed sufficient flexibility to permit the addition of other elements to strengthen the basic framework of our policies.

To meet the requirements of new situations that arose, we supplemented our earlier planning with the loan to Britain, the Export-Import Bank loans, the channeling of surplus military stocks abroad into civilian uses, the aid program to Greece and Turkey, the 350-million-dollar program for post-UNRRA relief, and appropriations to maintain the populations of occupied areas above the “disease and unrest” subsistence level.

It should be emphasized that the foreign policy given effect by these actions took into consideration the postwar situation of the world as a whole and that its objective was the establishment of conditions in which the whole world could move together from the dark shadow of war and its aftermath into the light of a better day. There was nothing exclusive or restrictive in our program of action. It assumed that the United States and other nations able to produce more than their own absolute requirements would share their products with countries shattered by war; it assumed that these latter countries would exert their remaining energy to repair the damages of war as quickly as possible; and that all would cooperate in maximum utilization of the combined assets, of whatever nature, to achieve the over-all stability and productivity that are essential to the resumption of normal life.

Unfortunately some of these assumptions failed to materialize. We were keenly disappointed at the early breakdown of the Great Power unanimity that had contributed so much to the winning of the war, and the arbitrary division of the Continent of Europe in East and West that resulted. While other phases of the plan worked out as anticipated, the total effect fell short of the much greater requirements.

For example, with the aid of materials and funds from abroad, the British Isles and the Scandinavian countries in the first 18 months after V-E
Day raised their rate of industrial production above the prewar level. France, Belgium, and the Netherlands achieved a rate of 80 to 90 percent of the 1938 standard, and Italy attained a rate of 70 percent.

This performance cheered both the Europeans and their friends here, but the heartbreaking fact is that it was not enough. The postwar needs of western Europe are so much greater now that they cannot be met by production equal to or even slightly greater than the rate that in 1938 provided western Europeans with the second highest standard of living in the world.

Moreover, the population of western Europe has increased by 24 million persons since 1939 even after taking account of wartime losses. This means there are more mouths to feed, more bodies to clothe, more families to house—and less to do it with. With these added strains on a depleted and disjointed economy, the wonder is not that western Europe has not made greater strides toward recovery, but that she has held her own and even made measurable progress toward that goal.

The first burst of postwar activity in the industrialized areas of Europe consumed the materials at hand, plus supplies brought in from abroad, at a faster rate than they could be replenished by tired people operating in an impoverished economy. The sheer physical destruction of factories, railroads, and homes and the demoralization of the working force in such key industrial centers as the Ruhr served to drag down the recovery effort not only of that locality but, to some extent, all of Europe. The violent wartime disruption of the intricate web of trade, both within and among the continental countries, produced an effect so disastrous that it could not be overcome in the space of a few months. The traditional relationship between certain countries and colonial areas likewise was disrupted, with a consequent shortage of raw materials and another handicap to production. Food, fuel, and other basic materials from the United States and other Western Hemisphere sources provided the impetus for the first spurt of European industry, but these began to dwindle away as dollar grants and loans, the last remnants of gold and foreign exchange, and the income from vanishing foreign investments, all neared exhaustion at the same time. The crowning blow fell when nature seemed to conspire against man, and winter storms and summer drought cut western Europe's indigenous food production far below the minimum consumption levels of the population.

The growing realization that the considerable effort made toward European recovery, both by this country and the countries immediately concerned, had fallen short of accomplishing that purpose on a sound, permanent basis led to a reexamination of the whole problem as long ago as last winter. As a result this Government reached the conclusion that the situation in western Europe had entered a new phase—one that required a new approach.

It became apparent that any future aid to Europe by this country should conform to a broad concept that would take into account the requirements and potentials of that continent as a whole. It became apparent that, if further aid was to succeed in restoring Europe to solvency and self-reliance, the nations of Europe would have to concert their efforts as a group in a comprehensive plan of action and not act as an aggregation of individual states working perhaps at cross-purposes. It was also apparent that they would have to assume a collective obligation to see that the plan was carried out efficiently on a cooperative basis.

These were the considerations that led Secretary Marshall to make his statement at Harvard last June 5. The activity on both sides of the Atlantic which was set in motion by his proposal and the rapid development of a program of joint action are so fresh in our minds that I will not review them in detail here.

In Europe the Marshall proposal was, in the words of Foreign Minister Bevin, “seized with both hands”. The statesmen and leaders of the western nations quickly realized the significance of the Secretary's suggestion and were convinced of the soundness of his approach. They proceeded to hold the Paris conference on economic cooperation and produced a report which, despite the speed with which it had to be assembled, constitutes an excellent outline of the problem and the proposed solution.

It will be recalled that Secretary Marshall urged the formulation of a program upon which "most, if not all" of the European nations could agree. However, the Soviet Union declined to participate, and seven other countries of eastern Europe, under Communist domination or in fear
of such domination, either spurned the invitation or did not feel free to accept. In other words those in control in that area not only voluntarily excluded themselves from participation in the cooperative effort to achieve the economic recovery of all Europe but intimidated other supposedly sovereign states so that they likewise refrained from participation. The world should understand exactly where the responsibility for that decision lies.

The 16 nations that did participate in the Paris conference did a businesslike job with no intervention from this side of the Atlantic and no pressure that could by any stretch of the imagination be construed as infringement upon the sovereign rights of any participating state.

The American people have now had five months in which to consider and debate one of the most momentous problems ever to confront them. Evidence has been added from time to time, as it became available, from the Executive branch of our Government, from the European statesmen and technicians who drafted the Paris report, from members of Congress who visited Europe to study conditions on the spot, and from private citizens and organs of the press and radio representing all shades of opinion.

I think it has been established beyond question that western Europe urgently requires large-scale assistance if it is to go forward to lasting economic recovery and political stability and that only the United States is in a position to provide help of the magnitude required. The crux of the question now before the American people for decision is whether they should assume that responsibility.

I believe that the American people have already made their decision. On humanitarian grounds alone, the sufferings and privations being endured by their fellow human beings across the sea call for a generous sharing of the food and other necessities of life which we have. But our people sense that the issue is larger than that—that there is a broader, more fundamental reason why we must concern ourselves with the reestablishment of the European community as we knew it before the war—as we have known it, sometimes only half-consciously, for generations.

Perhaps without thinking it through or putting it in words, Americans realize that the traditional Europe we have known has been a sheet anchor of the kind of world we wanted. Europe, including the British Isles, is the source of our language, our institutions, our culture, even the origins of the industrialization we have perfected and on which we pride ourselves.

Aside from sentimental ties, our people appreciate the realistic, world-politic relationship between the New World and the Old. They know that the existence of a group of independent, democratic, vigorous, and productive nations on the Continent of Europe is the best guaranty, other than our own strength, of the security of the United States. They know the converse of this proposition—that if the nations of Europe should ever be subjugated and their immense resources harnessed to the evil purposes of a single master, the independence and integrity of our country sooner or later would be in jeopardy. We have this lesson so deeply graven in our national consciousness that twice in a quarter century we have fought on European soil to prevent single-power domination of that continent.

I said a few moments ago that the design of our postwar planning was world-wide in scope. Why, then, this concentration on Europe? The answer is basically simple: Until Western Europe is restored to health and resumes its rightful place in world affairs, the peace, stability, and prosperity we seek to promote elsewhere will be elusive. We are concentrating our attention and our efforts on the recuperation of Europe because a strong, free, dynamic, and creative Europe is an indispensable prerequisite to the restoration of order and productivity everywhere. It is as simple and as fundamental as that.

Now the United States, physically unmarked by war, possessing as much productive capacity as all other nations combined, with a technology unequalled anywhere, a skilled and vigorous population, abundant resources and large reserves of wealth, must bear the brunt of the great effort required to pull the western world from the ruins of war and set it on the highroad to productivity and peace. Frankly, no other nation is equipped for the task.

But once the nations of western Europe regain their self-confidence and self-reliance, once they overcome the inertia brought on by the physical and psychological effects of the devastation and exhaustion of war, once they gain sufficient momentum to keep advancing under their own power—then Europe will become, not a recipient of our
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aid, but a potent and resourceful partner in the larger enterprise of building a better world.

For that reason I believe that we consider our proposed part in the European Recovery Program not an obligation but an opportunity, that we see it as a challenge of a kind unique in world history, and that we believe that the nature of our response will, in large measure, establish our stature as a nation.

America grew great through the effort and vision of those who calculated the risks and still went forward. That spirit transformed a wilderness into a flourishing and united nation. That spirit, adapted to a new age and an unprecedented opportunity, can help lift a weary and despairing world from the ruins of war and set it well on the path to peace.

I feel that Secretary Marshall has summed up the situation for us in these words: "The automatic success of the program cannot be guaranteed. The imponderables are many. The risks are real. They are, however, risks which have been carefully calculated, and I believe the chances of success are good. There is convincing evidence that the peoples of western Europe want to preserve their free society and the heritage we share with them. To make that choice conclusive they need our assistance. It is in the American tradition to help. In helping them we will be helping ourselves—because in the larger sense our national interests coincide with those of a free and prosperous Europe."

1st Report to Congress on Assistance to Greece and Turkey

THE PRESIDENT'S LETTER OF TRANSMITTAL

To the Honorable the President of the Senate pro tempore and the Honorable the Speaker of the House of Representatives:

Last May the Congress enacted Public Law 75 enabling the United States to render financial, technical, and material aid to the Governments of Greece and Turkey. This was done in response to urgent appeals by those governments, which found that as a result of conditions arising out of the war their respective economies were unable to bear alone the financial burdens of reconstruction, of providing supplies for the civil population, even on a subsistence level, and of supporting the armed forces essential for the maintenance of security.

By Executive Order 9857, dated May 22, 1947, primary responsibility for the program's execution was delegated by me to the Secretary of State. The Department of State enjoys full cooperation of all other departments and agencies of the Government which can help in the implementation of the act.

Pursuant to the provisions of the act, I am submitting this, the first quarterly report on the activities and expenditure of funds under the authority of the act.

The economic situation in Greece has not basically improved since I addressed the Congress last spring about the need for American assistance. Although economic collapse, which might otherwise have resulted, has so far been averted through the extension of our aid, underlying causes of economic and political unrest remain of grave concern.

This first period of administration of the act has been largely one of preparation. Missions have been assembled and sent to Greece and to Turkey and are now working with the respective governments of those countries to assure effective and proper use of American aid funds. While many operational steps of major importance have been taken, such as the letting of contracts and the ordering and delivery of supplies, the effects of many of these actions will not be discernible until later in the fiscal year. The enclosed report reveals in some detail the action that has been taken thus far and some of the problems which have yet to be solved.

Since the time when the amount of assistance needed was determined, there have been several unfavorable developments which materially affect both programs but most seriously that for Greece. The Greek cereals harvest has been reduced by the general European drought, and by guerrilla ac-
FOREIGN AID AND RECONSTRUCTION

activity, to a point where the expenditure of foreign exchange for food imports will be a great deal more than originally estimated if hunger and starvation are to be avoided. Intensification of military operations in that country has necessitated a transfer of funds from the economic to the military program. Rising prices in the United States and elsewhere have reduced the buying power of foreign exchange available to the Greek Government, with the effect that greater sums than were anticipated must be spent for minimum basic essentials. An added factor in Greece is that exports have not, because of internal economic and security conditions, reached as high a level as might reasonably have been expected some months ago.

The difficulties which hamper the success of this program must be overcome. Continuation of marginal subsistence only in Greece, without real progress toward recovery, will provide fertile ground for totalitarian ideologies.

The White House
November 7, 1947.

SUMMARY OF REPORT

[Released to the press by the White House November 10]
The economic collapse in Greece feared in the late spring and early summer has been thus far averted through extension of American aid, according to the first quarterly report on assistance to Greece and Turkey transmitted to the Congress on November 10 by the President. As of September 30, 1947, approximately 160 million dollars of the 300-million-dollar program for aid to Greece had been allocated for specific purposes.

The economic program is now well under way and being carried out as rapidly as possible, the report stated, adding that the Greek economy has been sustained at least at its previous level and confidence instilled into the Greek people. Chances for full success, however, the report showed, have been affected by several adverse factors—reduction of this year’s grain crop to two thirds of normal as a result of drought, increasing world prices which have reduced the buying power of the aid funds, and continued guerrilla activity which has forced the diversion of funds from the economic to the military program. Because of these factors and because the first period of the administration of the act has necessarily been largely one of preparation, the report pointed out that effects of many of the positive actions taken will not be discernible until later in the fiscal year.

All necessary elements for Greek recovery are now present, the report points out, and once the internal order essential to recovery has been established these can begin to be effectively operative. “While it is too early to claim substantive success in the Mission’s work, its very presence in Greece and the material assistance thus far given have been responsible for the fact that Greece is still free and that her people still have a government of their own choosing. This fact in itself is ample justification for the aid program.”

Details concerning the reconstruction, foreign trade and supply, relief, agriculture, labor, health, government administration, public finance, and military activities of the aid program and the status of the appropriation are contained in the report.

In regard to Turkey, the report outlines the initial steps which have been taken toward relieving the Turkish economy of a part of the burden of modernizing its national defenses. Requirements for military supplies and equipment under this program have been determined, and shipment will start shortly.

THE WHITE HOUSE
November 7, 1947.

November 23, 1947
FOREIGN AID AND RECONSTRUCTION

Reported Disapproval by Fund and Bank of Foreign-Aid Proposals

Statement by the Secretary of State

The proposals so far developed are presently before the Bureau of the Budget and, accordingly, I am not at liberty to go into details.

For your guidance, however, I might say the question of a stabilization fund is under consideration by the National Advisory Council, which has as yet made no decision in the matter. With reference to possible reconstruction and development loans, it is obvious, I think, to everyone that there are certain sound investments which could be made over the next few years which would supplement the efforts of this Government to assist in the European Recovery Program. Accordingly, we are in the process of making estimates of the nature and amounts of such possibilities, although we realize that that is a determination which the World Bank, an international organization, must determine for itself.

Funds Programmed for China Aid Under Terms of Relief Agreement

[Released to the press November 4]

The Department of State announced on November 4 that $27,700,000 has already been programmed for the purchase and shipment of urgently needed relief commodities for China under the United States foreign-relief program pursuant to terms of the relief agreement between the United States and China signed October 27, 1947. The program as presently planned provides for the furnishing of 50,000 long tons of wheat and 43,000 long tons of rice allocated from the United States and approximately 30,000 long tons of rice allocated from Siamese sources. The balance of the program will consist primarily of medical supplies.

Procurement arrangements for the wheat and rice are already under way in the United States, and shipments are expected to start by the end of November. The procurement of rice in Siam will be made for the State Department by the United States Commodity Credit Corporation through its agent in Bangkok.

The over-all demands for cereals in China are so large that the quantity it is possible to supply under this program cannot meet all needs. Therefore, for maximum effectiveness, it is planned to distribute the United States relief cereals mainly in coastal cities. Thus rural areas badly in need of cereal supplies which they grow will be relieved of the necessity of sending a substantial part of their local supplies to the large urban centers.

Concentration of relief distribution in key coastal cities of China will not, however, preclude sending supplies contributed by the United States to needy famine areas in the interior. Where such direct relief activities are allocated imported foodstuffs, it is planned to utilize services of established voluntary agencies as well as those provided by the Chinese Government. The private agencies in China have heretofore carried the normal burden of relief responsibilities, and both Governments have agreed that this valuable experience should not be lost to the United States foreign-relief program.

Hundredth Ship Reaches Italy With Relief Supplies

The Italian Ambassador to the Secretary of State

November 6, 1947

Dear Mr. Secretary: Upon special instructions I have the honor and pleasure to convey to You the following message of the President of the Council of Ministers, the Hon. Alcide de Gasperi:

"On the occasion of the arrival at Venice of the one hundredth ship, A.U.S.A. [United States Foreign Relief Program], I want to renew to you our thanks for the generous and effective assistance of the American people."

Please accept [etc.]

Alberto Tarchiani
Ambassador of Italy

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The United Nations and Specialized Agencies

U.S. Delegation to Trade and Employment Conference

[Released to the press November 14]

The Department of State announced on November 14 that the President has approved the appointment of a United States Delegation to the United Nations Conference on Trade and Employment which convenes in Habana, Cuba, on November 21.

William L. Clayton, former Under Secretary of State for Economic Affairs, will be Chairman of the Delegation and Clair Wilcox, Director, Office of International Trade Policy, Department of State, will be vice chairman.

The Habana conference has been called to consider the adoption of a charter for an International Trade Organization. Establishment of such an organization was first proposed by the United States in December 1945. A suggested draft of a charter was published by the Department of State in September 1946. This draft was revised by a United Nations Preparatory Committee of 17 countries meeting successively in London in October and November 1946, in New York in January and February 1947, and in Geneva from April 10 to August 22, 1947. It is the Geneva draft of the charter that the 50 to 60 nations assembled at Habana will take as the basis of their work.

There are 27 officials from seven departments and agencies of the Government on the Delegation list, together with members of Congress and nongovernmental advisers representing the interests of business, labor, and agriculture, women's organizations, and other public-interest groups. Members of Congress on the Delegation may find it necessary to return to Washington from time to time due to pressure of legislative duties.

The list follows:

**Chairman**
William L. Clayton, Adviser to the Secretary of State

**Vice Chairman**
Clair Wilcox, Director, Office of International Trade Policy, Department of State

**Delegates**
Jere Cooper, U.S. House of Representatives
James Grove Fulton, U.S. House of Representatives
Harry C. Hawkins, Minister-Counselor for Economic Affairs, American Embassy, London
Herbert W. Parisius, Director, Areas Branch, Office of International Trade, Department of Commerce
A. Willis Robertson, U.S. Senate
Oscar B. Ryder, Chairman, U.S. Tariff Commission
Orvis A. Schmidt, Assistant Director, Office of International Finance, Treasury Department
Leroy D. Stinebower, Deputy U.S. Representative to the U.N. Economic and Social Council

**Alternate Delegates**
Edgar B. Brossard, Commissioner, U.S. Tariff Commission
John W. Evans, Trade Barriers Policy Adviser, Department of Commerce
Morris Fields, Chief, Commercial Policy Section, Office of International Finance, Treasury Department

**National Security Adviser**
Harold H. Neff, Special Assistant to the Secretary of the Army, Department of National Defense

**Political Adviser**
Albert F. Nufer, American Ambassador to El Salvador

**Labor Adviser**
John H. Q. Pierson, Special Assistant to the Under Secretary of Labor, Department of Labor

**Legal Adviser**
Seymour J. Rubin, Assistant Legal Adviser for Economic Affairs, Department of State

**Agricultural Adviser**
Robert B. Schwenger, Special Assistant to the Director, Office of Foreign Agricultural Relations, Department of Agriculture

**Nongovernmental Advisers**
John Abbink, Past Chairman, National Foreign Trade Council, Inc.
Kenzie S. Bagshaw, Chairman, Executive Committee, National Grange
H. W. Balgooyen, Member, Advisory Group, International Economic Relations Committee, National Association of Manufacturers
Homer L. Brinkley, Secretary-Manager, American Rice Growers Cooperative Association, National Council of Farmers Cooperatives

November 23, 1947
Second General Conference of UNESCO, Mexico City

REMARKS BY THE CHAIRMAN OF THE U.S. DELEGATION

On November 10, William Benton, Chairman of the U.S. Delegation to the Second General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO), addressed the Conference at a plenary meeting in Mexico City, D.F., at which time he read the following telegram from President Truman:

"To the Chairman of the United States Delegation to the General Conference of UNESCO in Mexico City: I am confident that this Second General Conference of UNESCO will be able to strengthen the principle of free inquiry, free expression, and free collaboration as a sound foundation for a lasting peace. The full support and best wishes of the American people are with you."

Mr. Benton made the following remarks in his address, the full text of which appears in Department of State press release 893 of November 10:

"We must, in examining the Director General's report, distinguish between what has been done and what is being done and what is projected for the future."

"I think it is unfortunate that our Executive Board, which has been closest to the Organization and the program, in its report of Saturday to the General Conference, 'decided not to offer any comments on the contents of the (Director General's) report'. It does not seem to me that here is the leadership this conference needs. The delegates here should be given the guidance of their Executive Board. They are entitled to the views of the 18 men who have had the most intimate experience with UNESCO."

"The United States Delegation last week unanimously passed a resolution asking for the comments of the Executive Board on this report. I suggest that this conference tell its Executive Board that it desires such comment in the future."
The Inter-American Treaty of Reciprocal Assistance

ARTICLE BY WARD P. ALLEN

Background

In February–March 1945, shortly before the termination of the war in Europe, the American republics met in the Inter-American Conference on Problems of War and Peace at Mexico City and agreed to expand their system of collective self-defense. The resulting agreement was the Act of Chapultepec, which declared that every attack of any state against an American state should be considered as an act of aggression against the others and that whenever such aggression or threat of it occurred the signatories would consult in order to agree on measures to be taken, including the possibility of the use of armed force. This act marked two advances over the previous Declaration of Habana in that: (1) no distinction was made between an attack by a non-American state against an American state and an attack by one American state against another; and (2) the use of force by the inter-American system was envisaged for the first time.¹

The Act of Chapultepec was, however, a temporary wartime measure in the form of a simple resolution and was concluded prior to the time when the adoption of the Charter of the United Nations set the permitted pattern for regional security arrangements. To translate the basic principles of the act into a permanent postwar treaty, consistent, as the act itself pledged, with the United Nations Charter, was the purpose of the Inter-American Conference for the Maintenance of Peace and Security held near Rio de Janeiro, Brazil, from August 15 to September 2, 1947, a procedure for which the Act of Chapultepec itself had provided.

The Conference, attended by over 250 delegates and advisers from 20 American republics and including 16 Foreign Ministers, completed its labors in less than three weeks and reached formal agreement on the precise terms of such a treaty for complete cooperation in mutual defense, committing the American states to act collectively for the peace and security of the New World, in accordance with the provisions of the United Nations Charter. Secretary Marshall, on his return from the Conference, characterized it as “the most encouraging, the most stimulating international action since the close of hostilities.”²

A total of approximately 150 proposals for provisions of the treaty were submitted for consideration of the Conference by the various governments, in addition to a large number of amendments, proposals, and changes informally put forward in the course of the deliberations of the Conference. It was the task of the various working and drafting committees to study these proposals and to eliminate, combine, improve, and coordinate such of them as were acceptable in the final document.

The treaty as finally approved marks an even greater advance over the Act of Chapultepec than did that act over the Declaration of Habana and previous inter-American agreements. It lays a clear obligation on the parties to take positive action beyond mere consultation to assist in meeting an armed attack against any American state; it covers not only armed attacks and other acts of aggression but also “any other fact or situation that might endanger the peace of America”; it specifies the machinery and organs through which the community of American states will act in taking collective measures to meet such threats; it enumerates the possible measures to be taken against an aggressor and provides that the decisions of two thirds of the parties to employ these measures will bind all the parties except as regards the use of their own armed forces; and it

assures complete consistency with the provisions of the United Nations Charter.

Analysis of the Treaty

The preamble and articles 1 and 2 of the treaty seek by reference to the Act of Chapultepec and the United Nations Charter and by reiteration of guaranties for repudiation of the use of force to place the treaty in a setting of traditional inter-American desires for peaceful relations and to lay a foundation for the specific obligations contained in the subsequent articles. Thus, in articles 1 and 2 the American republics pledge themselves "not to resort to the threat or the use of force in any manner inconsistent with the provisions of the Charter of the United Nations or of this Treaty" and to submit every controversy to methods of peaceful settlement, endeavoring to resolve it among themselves through inter-American procedures before referring it to the United Nations. The language of these articles follows in general that of article 2, paragraph 4, of the United Nations Charter as the most recent acceptance of these principles by all the American republics.

In the Act of Chapultepec there was no distinction in treatment between the various types of aggression. However, the subsequently drafted Charter of the United Nations in dealing with the powers and authority of regional security arrangements draws a clear distinction between an "armed attack" and other acts or threats of aggression. In the former case, the members of a regional arrangement enjoy complete freedom to take whatever measures, including armed force, they find desirable to meet the attack in the exercise of the right of individual or collective self-defense until the Security Council acts to restore peace. In the event of any other type of aggression, however, the prior authorization of the Security Council must be obtained before the members of a regional arrangement may take enforcement action, such as the imposition of economic sanctions, the use of armed force, etc. The framers of the instant treaty decided, therefore, that the best way both to assure consistency with the Charter and to take full advantage of the freedom of action under the right of self-defense was to make a basic distinction in the treaty between armed attacks and other types of aggression. Thus, article 3 deals exclusively with armed attacks and article 6 with other aggressions.

A second major threshold problem in the construction of the treaty was the necessity of deciding whether any distinction should be made between an attack by one American state against another and an attack by a non-American power against a state of this Hemisphere. Notwithstanding a certain amount of support for such a view, the United States Delegation and others took the position that to do so would be a retreat from the Act of Chapultepec; that it would create the deceptive appearance of an alliance directed against non-Hemisphere countries; and that to fail to provide for prompt action against an American aggressor would lessen the effectiveness of the treaty as a deterrent to aggression. This view prevailed in general. Thus, both the principle that an attack against one is an attack against all and the operative provisions for action to meet aggression apply without distinction as to whether the aggression was committed by a non-American state or an American state. In the latter case, however, the treaty provides (article 7) that the first objective of the collective action by the American republics is to order the contending American states to suspend hostilities and restore the situation to the status quo ante bellum.

Specific Obligations in the Treaty

A principal feature of the treaty is the twofold obligation laid upon the parties in the event of an armed attack. First, each one of the parties is obligated "to assist in meeting the attack" (article 3, paragraph 1). By this language the right of individual or collective self-defense recognized in article 51 of the United Nations Charter is converted into an obligation. The provision contemplates that the parties will begin to carry out their obligation to assist individually or collectively prior to consultation, and in the case of a sudden attack this element of time might prove decisive. This is an essential point of the treaty, and none of the subsequent provisions detract from the character of this obligation.

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*For the text of the treaty and final act, see BULLETIN of Sept. 21, 1947, p. 565.
* See articles 51 to 54 of the U.N. Charter. For an analysis of the Charter provisions dealing with regional arrangements, see "Regional Arrangements in the United Nations", BULLETIN of June 2, 1946, p. 923.
In such a case it was recognized as impractical to seek to determine in advance in the treaty itself the nature, timing, and exact extent of the immediate measures, and this determination is consequently explicitly given to each of the parties by the article.

The second obligation in the event of an armed attack is contained in the following language: “The Organ of Consultation shall meet without delay for the purpose of examining those measures [the immediate measures of assistance] and agreeing upon the measures of a collective character that should be taken.” (Article 3, paragraph 2.) This provision parallels that in the Act of Chapultepec and, although worded more in the form of a directive to the Organ of Consultation, is clear in the obligation it lays upon the parties to consult to agree upon collective measures.

This article by its terms becomes operative whenever the armed attack occurs within any part of the territory of an American state or within any portion of a specified area which embraces both North and South America, including Canada and Alaska, together with Greenland, the arctic and antarctic regions of the Continent, and all of the area lying between. Although the initial reaction of the delegations to the concept proposed by Mexico of specifying such a geographic area was a divided one, those who favored it pointed out that the area is so broad as to include any region in which a serious attack against an American republic is possible and that possible military action outside the area would not constitute such an immediate danger to the Hemisphere as to require immediate automatic action in advance of consultation.

In order to insure perfect harmony between this portion of the treaty and the Charter of the United Nations, paragraph 4 of this article stipulates, in the language of article 51 of the Charter, that the measures may be taken “until the Security Council of the United Nations has taken the measures necessary to maintain international peace and security”.

Having thus provided for procedures to deal with an armed attack, it then remained to determine what additional situations should be embraced within the treaty and to agree upon the action to deal with them. A large number of proposals for specific language were put forward as occasions for invoking the treaty, such as, for example, the occurrence of “reasons to believe an aggression is being prepared”, of “a conflict which may threaten or endanger continental peace”, of “a serious attempt” against the basic rights and freedom of the individual, of a situation that might endanger “the democratic structure of the American Continent”, et cetera.

In view of the wide variety of these proposals and in view of the fact that under existing inter-American practice the widest latitude is granted for bringing the procedure of consultation into operation, it was finally decided to employ very general language in setting out the occasions, other than an armed attack, for invoking the treaty. Consequently the procedures and obligations in article 6 are operative whenever “the inviolability or the integrity of the territory or the sovereignty or political independence of any American State” is affected by:

1. an act of aggression other than an armed attack;
2. an extracontinental or intracontinental conflict; or
3. any other fact or situation that might endanger the peace of America.

Under the article, the occurrence of these events brings into operation similar but differently worded obligations. In case aggression is committed, the parties will meet in consultation “in order to agree on the measures which must be taken . . . to assist the victim of the aggression”. In the case of an extracontinental conflict or of other situations that might endanger continental peace, the parties shall meet in consultation “in order to agree on . . . the measures which should be taken for the common defense and for the maintenance of the peace and security of the Continent”. [Italics are the author’s.]

In the light of these obligations it is possible to appreciate the limited scope of the provision referred to above which specifies the geographic area of an armed attack. The effect is that in case the attack occurs within the defined area, the twofold obligation becomes immediately operative to assist in meeting the attack and to consult to decide upon collective measures (article 3). In the case of an armed attack outside the zone, the parties, though not required to give immediate automatic assistance, are nevertheless obligated under
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article 6 to consult to agree upon the collective measures to be taken.5

A subsequent article of the treaty enumerates in the following language the collective measures to be agreed upon in the consultation to meet either an armed attack or any other situation which would invoke the treaty:

For the purposes of this Treaty, the measures on which the Organ of Consultation may agree will comprise one or more of the following: recall of chiefs of diplomatic missions; breaking of diplomatic relations; breaking of consular relations; partial or complete interruption of economic relations or of rail, sea, air, postal, telegraphic, telephonic, and radiotelephonic or radiotelegraphic communications; and use of armed force. (Article 8.)

The statement that, "For the purposes of this Treaty, the measures... will comprise...", [italics the author's] limits the freedom of action of the consultation in the sense that the specified measures set a minimum upon which agreement must be reached. In other words, although theoretically the parties might fail to agree, they can not under the treaty, with one exception, agree upon measures less severe than the least severe of those listed in article 8.

That exception is provided by article 7, which states that in the event of an inter-American conflict in which the contending states are members of the regional arrangement, the first action of the consultation should be to call for a cessation of hostilities and a restoration of the status quo ante bellum. The call would presumably likewise be directed to any states which, under the obligation to assist in meeting the attack, had gone to the aid of the victim. While this request from the community to cease hostilities would qualify the obligation of other states to assist the attacked state, it would not qualify their right to do so under the concept of individual or collective self-defense.

Organs, Procedures, and Voting Provisions for Carrying Out the Treaty

The treaty provides for both a regular and a provisional mechanism through which the consultations will take place and the decisions be taken. The normal organ of consultation will be a meeting of the Ministers of Foreign Affairs of the American states which have ratified the treaty, and the provisional organ may be the Governing Board of the Pan American Union until the Foreign Ministers' meeting can take place. These two bodies are established instruments of action in the inter-American system, and the designation of the Board to act provisionally facilitates prompt action under the treaty in the event of an emergency.

In order to participate in decisions taken by these organs of consultation, the state must fulfill two conditions: (1) it must be a party to the treaty (article 14), and (2) in the case of a purely inter-American controversy, it cannot be a directly interested party, i.e., an immediate and initial party to the dispute (article 18).

All initial procedural and administrative decisions under the treaty are to be taken by an absolute majority of the states qualified to vote (article 16). Once the consultation is initiated, however, all decisions are to be taken by a vote of two thirds of the ratifying states (article 17).

The requirement of two thirds reflects the view of the overwhelming majority of the American republics as expressed in consultations carried out prior to the Conference and represents a middle ground between the unanimity rule favored by Argentina and the majority rule proposed by Uruguay. The decision requiring two-thirds majority was reached on the ground that such a majority is sufficiently high to assure that action taken will reflect the general collective will of the American community and can thus be made effective, yet it avoids the possibility of paralyzing the operation of the treaty through the nonconcurrence of a small minority.

A significant advance both over previous inter-American agreements and, in some respects, over the present method of operation in the organs of the United Nations is the obligation accepted by the parties to comply (with one exception) with decisions of two thirds of them to put into effect the punitive measures enumerated in article 8. This obligation is embodied in the following language:

Decisions which require the application of the measures specified in Article 8 shall be binding upon all the Signatory States which have ratified this Treaty, with the sole exception that no State shall be required to use armed force without its consent. (Article 20.)
This means that when two thirds of the voting parties decide that the chiefs of diplomatic missions should be recalled from a country, diplomatic or consular relations broken, or economic, transport, or communications relations interrupted, each of the parties is bound to carry out the decision, although it may have voted against it. Although the exact scope of this "sole exception" in relation to the measures enumerated occasioned some debate in the committee of the Conference, it was agreed that the language clearly means that as to any other decisions under this treaty reached by the consultation the parties are bound only to the extent that they concur therein.

The consequences of this binding effect of a two thirds decision to employ punitive measures is of particular significance for the United States and such other American states as may be members of the Security Council of the United Nations, since it would be determinative of their position in the Security Council whenever the Council is requested to grant authorization to the regional arrangement to take "enforcement action", such as the collective severance of diplomatic or economic relations in the case of aggression other than an armed attack.

One other provision of the treaty deserves special mention. Article 10 provides that—

None of the provisions of this Treaty shall be construed as impairing the rights and obligations of the High Contracting Parties under the Charter of the United Nations. This assures complete consistency with the United Nations Charter and harmony between the regional and world security systems and is a further indication that the assumption by the American republics of special security obligations under the treaty does not imply any change in attitude toward their basic obligations under the United Nations Charter for the maintenance of general peace and security.

The treaty was signed by 19 of the 21 American republics in Rio de Janeiro at the conclusion of the Conference. The two countries which did not sign were Nicaragua and Ecuador, the former because disturbed internal conditions led the other republics to conclude that there was no government to whom an invitation could appropriately be sent and the latter because the overthrow of the previous government during the Conference led the other republics to conclude that the Ecuadorian Delegation lacked the requisite credentials to sign. However, by its terms the treaty remains open for the signature of these countries, as well as of other American states, as original parties.

The treaty will come into effect upon ratification by two thirds of the signatories. The ratifications of Mexico and the Dominican Republic have already been deposited, and action looking toward ratification by the United States will be taken at an early date.

Provisional U.S. Delegation to Foreign Ministers Conference

[Released to the press November 14]

There follows the provisional list of the principal officers of the United States Delegation to the Fifth Session of the Council of Foreign Ministers which convenes at London on November 25, 1947:

United States Member
George C. Marshall, Secretary of State

Special Advisers
Lewis C. Douglas, American Ambassador to the United Kingdom
Walter Bedell Smith, American Ambassador to the U.S.S.R.
John Foster Dulles, New York
Lucius D. Clay, General, U.S.A., Military Governor (U.S.) for Germany

November 23, 1947

Geoffrey Keyes, Lt. Gen., U.S.A., U.S. High Commissioner on Allied Council for Austria
Deputy U.S. Member for Germany
Robert D. Murphy, U.S. Political Adviser, Berlin
Deputy U.S. Member for Austria
Joseph M. Dodge, Detroit
Special Assistant to the U.S. Member
Carlisle H. Humelsine, Special Assistant to the Secretary of State, Department of State
Advisers
Charles E. Bohlen, Counselor, Department of State
Charles E. Saltzman, Assistant Secretary of State for Occupied Areas
John G. Erhardt, American Minister to Austria
John D. Hickerson, Director, Office of European Affairs, Department of State
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James W. Riddleberger, Counselor, Office of U.S. Political Adviser, Berlin
Jacques J. Reinstein, Special Assistant to the Assistant Secretary of State for Economic Affairs, Department of State
Julius C. C. Edelstein, Special Assistant to Assistant Secretary of State for Occupied Areas, Department of State
Fritz Oppenheimer, Special Assistant to the Legal Adviser, Department of State
Edwin M. Martin, Chief, Division of Occupied Areas Economic Affairs, Department of State
Jacob D. Beam, Chief, Division of Central European Affairs, Department of State
David Ginsburg, Special Consultant, Department of State
Raymond Goldsmith, Economic Consultant, Department of State
Covey T. Oliver, Associate Chief, Division of Occupied Areas Economic Affairs, Department of State
John C. deWilde, Associate Chief, Division of Occupied Areas Economic Affairs, Department of State
Walter J. Levy, Economist, Division of International and Functional Intelligence, Department of State
Francis T. Williamson, Assistant Chief, Division of Central European Affairs, Department of State

Carmel Offie, Office of U.S. Political Adviser, Berlin
William Salant, Division of Occupied Areas Economic Affairs, Department of State
Leon W. Fuller, Division of Central European Affairs, Department of State
Katharine Kellock, Division of Occupied Areas Economic Affairs, Department of State

Four full-time members to be designated by General Clay

Military and Naval Advisers
Henry A. Byroade, Colonel, U.S.A., General Staff, U.S. Army, Department of National Defense
Philip H. Greasley, Colonel, U.S.A.F., General Staff, U.S. Army, Department of National Defense

Policy Information Officer
Bromley K. Smith, Office of the Secretary, Department of State

Secretary General
Warren Kelchner, Chief, Division of International Conferences, Department of State

Special Assistants to the Secretary General
Walter W. Sohl, Division of International Conferences, Department of State
Frances E. Pringle, Division of International Conferences, Department of State

Press Relations Officer
Michael J. McDermott, Special Assistant for Press Relations, Department of State

Public Affairs Officers
Victor M. Hunt, Office of Information and Educational Exchange, Department of State
J. David Penn, International Broadcasting Division, Department of State

Political Secretary
Robert D. Coe, First Secretary of Embassy, London

Technical Secretaries
Kenyon C. Bolton, Division of International Conferences, Department of State
Michael R. Gannett, Third Secretary of Legation, Vienna
William M. Franklin, Division of Historical Policy Research, Department of State

Assistant Technical Secretary
Ruth Briggs, American Embassy, Moscow

Documents Officer
Henry L. Trepagnier, Jr., Far Eastern Commission, Department of State

Language Services Officer
Alexis B. Tatistcheff, Division of Language Services, Department of State

Administrative Secretary
Lawrence C. McCutcheon, Executive Officer, Office of Departmental Administration, Department of State

Secretaries
Kingdon W. Swayne, Third Secretary of Embassy, London
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Bulletin Supplement on Greek Problem

The General Assembly and the Problem of Greece will be the title of the Bulletin Supplement to the issue of December 7. The supplement will contain two articles by Harry N. Howard, who served as Adviser to the U.S. Delegation on the Commission of Investigation Concerning Greek Frontier Incidents; the first article treats of the discussion in the General Assembly preliminary to the establishment of a Special Balkan Committee for a continuation of the United Nations investigation, and the second reviews the evidence submitted to the Commission by the Subsidiary Group.
The United States, during and since the war, has consistently worked for the reestablishment of conditions conducive to freer trade. It has sought to obtain assurance that currencies will be made convertible, that exchange rates will be stabilized, that exchange controls and import and export quotas will be virtually abolished, that control of trade will be accomplished almost entirely through tariffs, that tariffs will be substantially reduced, that exchange-control and quota systems, where they survive, will be administered without discrimination, and that tariff preferences will eventually be eliminated. It has sought these things because it believes that the volume of international trade should be larger than it was before the war, that bilateralism in trade should give way to multilateralism, and that discrimination should give way to equal treatment for the trade of all friendly states.

Multilateralism in trade, of course, is akin to barter. Under this system you may sell for money, but you cannot use your money to buy where you please. Your customer insists that you must buy from him if he is to buy from you. Imports are directly tied to exports, and each country must balance its accounts, not only with the world as a whole, but separately with every other country with which it deals. Particular transactions, to be sure, are always bilateral; one seller deals with one buyer. But under multilateralism the pattern of trade in general is many sided. Sellers are not compelled to confine their sales to buyers who will deliver them equivalent values in other goods. Buyers are not required to find sellers who will accept payment in goods that the buyers have produced. Traders sell where they please, exchanging goods for money, and buy where they please, exchanging money for goods. This arrangement is the rule in the domestic market; it has had its counterpart in international trade. Thus, in the years before the war, we bought from Brazil twice what we sold her and from Malaya ten times as much as we sold her while, at the same time, we sold the River Plate countries twice and the United Kingdom three times as much as we bought from them. And this is the sort of a trading pattern that we should like to have restored.

The case against bilateralism is a familiar one. By reducing the number and the size of the transactions that can be effected, it holds down the volume of world trade. By restricting the scope of available markets and sources of supply, it forces disadvantageous transactions and limits the possible economies of international specialization. By freezing trade into rigid patterns, it hinders accommodation to changing conditions. Bilateralism places the essential decisions as to the volume of trade, the direction of exports, and the sources of imports in the hands of the state. It substitutes the judgment of the bureaucrat for the judgment of the market place. It begets discrimination. It tends to shift the emphasis in commercial relations from economics to politics.

A multilateral trading system, on the contrary,
makes for a larger volume of trade, for greater economy in production, and for readier adjustment to changing conditions. It permits the trader to follow market opportunities in a search for purely economic advantage. It establishes conditions that are conducive to the preservation of private enterprise. It permits the policy and encourages the practice of nondiscrimination. It places its emphasis on economics, not on politics.

The United States is not alone in recognizing that the world would be better off if barriers to trade were to be reduced, multilateralism restored, and discrimination abandoned. All of the leading trading nations have given repeated expression, during recent years and months, to this belief. It was written into the Atlantic Charter in 1941, into the lend-lease agreements in 1942, into the articles of agreement of the International Monetary Fund and the International Bank for Reconstruction and Development in 1944, into the Anglo-American financial agreement in 1945, and into notes exchanged between the United States and several other countries during 1945 and 1946. It is fundamental to the charter for an International Trade Organization, which was prepared by a committee of 17 nations meeting successively in London, New York, and Geneva between October 1946 and September 1947 and will be considered by a United Nations Conference on Trade and Employment which will convene in Habana on November 21.

The desirability, and indeed the necessity, of reducing barriers to trade was recognized explicitly by the 16 nations belonging to the Committee of European Economic Cooperation, whose report, addressed to Secretary Marshall, in response to his proposal, was published on September 24. “To achieve the freer movement of goods, the participating countries are resolved”, in the words of the report, “to abolish as soon as possible the abnormal restrictions which at present hamper their mutual trade” and “to aim, as between themselves and the rest of the world, at a sound and balanced multilateral trading system based on the principles which have guided the framers of the draft charter for an International Trade Organization.”

The most recent and the most striking expression of the general determination to reestablish the conditions of freer trade is found in the general agreement on tariffs and trade which was concluded among 23 nations after six months of negotiations at Geneva on October 30. These nations carried on three quarters of the world’s trade before the war; they handle a much larger fraction at the present time. The agreement covers two thirds of the trade among the members of the group. It provides for substantial reductions in duties on some products, the binding of low rates of duty on others, and the binding of free entry on still others. It reduces preferences affecting a large part of our trade with the British Commonwealth and eliminates preferences on a long list of products which we export to the various countries of the Commonwealth. And these concessions are safeguarded by general provisions that are designed to prevent participating countries from canceling them out by resorting to other forms of restriction or discrimination. These provisions cover restrictive methods of customs administration, discriminatory internal taxes and regulations, import quota systems and exchange controls, and the operations of state-trading enterprises. They insure the application of the principle of most-favored-nation treatment to a major part of the world’s trade. This agreement is without precedent in history. It includes more countries, covers more trade, involves more extensive action, and represents a wider area of agreement on policy than any trade agreement that has ever been concluded in the past.

This record is impressive; it is encouraging; it gives real ground for hope. Unfortunately, however, it does not tell the whole story. Even at the best it is not to be expected that these professions, however genuine, or these commitments, however binding, will produce a trade millennium in this year or the next. For there is a wide divergence in trade policy today between principle and practice. Principle points toward the maintenance and even, for some countries, toward the intensification of restrictions. Almost every country outside of the United States controls exchanges, requiring exporters to surrender their earnings of foreign currencies to the government and forbidding importers to spend foreign currencies without permission of the government. Many countries impose direct controls on their foreign trade, some of them forbidding exporters to sell without a license and most of them forbidding importers to buy without a license. Several countries con-
duct some part of their foreign trade through public monopolies, thus exercising complete authority over sales and purchases. In Europe, particularly, trade is conducted through a network of short-term agreements between pairs of governments under which each party undertakes to license the exportation to the other of certain quantities of certain goods, and both parties undertake to minimize transfers of currency by making payments through clearing accounts in their respective national banks. It is required, moreover, that purchases and sales in each of these bilateral arrangements shall balance. And this means, in effect, that the trade of Europe and a large part of the trade of the whole world has been thrown back from the civilized economy of money to the primitivism of barter.

Nor is the end of this unhappy business yet in sight. Nineteen hundred and forty seven has been a year of crisis in world trade. Instead of shrinking, exchange controls and quota systems have taken on a larger scope. Instead of relaxation, they have been intensified. Instead of declining, discrimination is on the rise. Instead of disappearing, bilateral agreements, swapping promises of export licenses and setting up clearing accounts, have been renewed and multiplied. And even in the Articles of Agreement of the International Monetary Fund, the charter for an International Trade Organization, and the general agreement on tariffs and trade one finds exceptions that will permit restrictionism and discrimination to survive. The most important of these exceptions are temporary; they are subject to prescribed conditions; and they are surrounded by careful safeguards. But they offer no assurance that the conditions that govern the trade of the world will shortly be set to rights. Indeed, before these conditions get better it is even possible that they may take a turn for the worse.

We are confronted here with a striking contrast. On the one hand we have the repeated recognition by many countries of the desirability of clearing the channels of trade. On the other hand we have the imposition by many of these same countries of increasingly stringent restrictions on trade. What is the explanation for this divergence between principle and practice? Why do words move in one direction and deeds in another?

If we are to answer this question, we must first attempt to understand the peculiar position which our country has come to occupy in its economic relations with the other countries of the world. As production abroad has declined during and since the war, production here has risen. We have increased our physical output of goods and services by more than half, the size of our productive plant by nearly half. The United States today accounts for approximately half of the world's economic activity. And this fact is reflected in our foreign trade.

We are exporting goods and services, in 1947, at the rate of 19 billion dollars a year. Our exports of goods, at more than 15 billion dollars, are three to four times the figures reached during the twenties and five times those recorded in the years before the war. Our total imports, however, are running at only 8 billion dollars. And this means that our exports are exceeding our imports by 11 billion dollars a year.

Certainly such figures are impressive in themselves. But it is not until they are broken down into their component parts that one begins to realize just what they involve. For this general lack of balance is reflected in our trade in every category of goods and services and with every other region in the world. In manufactured goods we sell five times as much as we buy. In services we sell three times what we buy. And even in foodstuffs and raw materials, our sales are almost equal to our purchases. Our exports are outrunning our imports for Europe by nearly 5 billion dollars, for North America by 13½ billion dollars, for South America by 11¾ billion dollars, for Asia by 1 billion dollars, and for Africa by over ½ billion dollars. Cuba is the only important trading country from whom we buy more than we sell.

These are the facts. And it is clear that they do not conform to the pattern of multilateral trade. If trade were truly multilateral we might still export a surplus of some goods and services. But we should be taking payment by importing a surplus of others. We might still sell more to Europe than we bought. But we should be taking payment by buying more from Asia and from South America than we sold. With some allowance for lending we should balance our accounts, not with any single country, but with the world as a whole. Now, however, we are in the position of selling

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everything to everybody and buying too little of anything from anybody. We are creditor to all and debtor to none.

As a consequence the other nations of the world are unable to earn the dollars with which to pay for the quantities of goods and services that we are now supplying them. This situation has been variously described as a dollar shortage, a dollar famine, and a dollar crisis. But the words describe the symptom rather than the cause of the disease. The cause is to be found in the economic consequences of a war that was more destructive than any in the previous history of the world.

Here are the casualties: Two important industrial countries—Germany and Japan—are out of production. Elsewhere, in Europe and in Asia, centers of industry have been laid waste. Plant, machinery, and equipment have been destroyed, stolen, or under-maintained. Damages have yet to be repaired. Transportation facilities have been destroyed and services disrupted. Stocks of materials have been depleted. Fields have gone for years unfertilized. Workers have been killed, displaced, deported. They have suffered from malnutrition, exhaustion, and disease. Strength, skill, and morale have been impaired. The normal flow of goods and services has been interrupted. Markets have been lost; producers have been cut off from sources of supply. Economic disorganization has spelled financial instability, inflation, and chaos in exchange relationships. Everywhere the future is uncertain, and enterprise finds little ground for confidence. The result is retarded recovery and lost production. And here we have the obverse of the coin. The dollar shortage is a production shortage. The dollar famine is a production famine. The dollar crisis is a production crisis.

We have here the basic cause of the imbalance that now afflicts the world's trade. On the one hand an extraordinary demand for American goods—not only for the materials, machinery, and equipment that we alone can supply, but also for the food and fuel that other peoples would normally be producing for themselves. On the other hand an inability to produce and ship to us, in payment, the quantities of goods that we stand ready and willing to receive. The consequence is a drain on foreign reserves of gold and dollars that would spell bankruptcy if it were not controlled. And so it is necessary to tighten restrictions on imports so that scarce currencies, instead of being dissipated in the importation of non-essentials, may be conserved for the purchase of the most necessary goods. It would be foolhardy, in the circumstances, to do anything else.

It is clear now that we had failed to realize the difficulties of reconstruction; that we had underestimated the damage done by war; that we had overestimated the speed with which recovery might be achieved. And now, as if the war itself were not enough, Europe has been visited, in rapid succession, by a freeze, a flood, and a drought. The convertibility of sterling, reestablished last July under the terms of the British loan agreement, could not be maintained. The world-wide hunger for dollars provoked a run on the Bank of England. Its reserves of dollars rapidly approached exhaustion and, in an atmosphere that verged on panic, convertibility was dropped.

As in any epidemic, disease spreads from centers of infection and healthy organisms are attacked. Countries that were not devastated by war, where manpower, plant, and equipment are unimpaired and production is in full swing, still have no assurance of immunity. In many cases such countries have normally bought more from the United States than they sold here and earned their dollars by selling elsewhere in the world. But now they find themselves selling on credit or taking money they cannot convert. As a consequence they too must husband their reserves of gold and dollars if they are to fend off insolvency. And the way they do it is to impose restrictions on their import trade. In a world where currencies are inconvertible, where accounts are balanced bilaterally and goods are bartered for goods, it is difficult for smaller countries to follow the rules of multilateral trade. In a highly integrated world economy, none but the strongest can take a wholly independent line.

This is the situation. What can be done about it? The first step—and the most obvious one—is the promotion of reconstruction and recovery in western Europe, the center, before the war, of half of international trade. Restrictionism, bilateralism, and discrimination are the fruits of financial instability and extreme scarcity. As the countries of Europe get back onto their feet, as production is resumed and goods once more become available in relatively large supply, the need for these prac-
ties will disappear. The second step is the application, in full force, of the provisions of the Articles of Agreement of the International Monetary Fund, the general agreement on tariffs and trade, and the proposed charter for an International Trade Organization that are designed to put an end to restrictive and discriminatory practices. For it is only by subjecting them to international control that we can really be assured that these practices, even though rendered unnecessary, will not, in fact, continue to clog the channels of world trade.

In all of this we must have patience. We must not count on miracles. Reconstruction, as we have now learned from experience, is a slow business. It will take time.

It is not to be expected, for instance, that the general agreement on tariffs and trade will immediately result in an over-all increase in exports from the United States. It will, of course, make it easier for the producers of many products to compete for sales in many markets all over the world. But a large increase in exports at the present time would serve but to exaggerate a problem that is already serious. And this is neither to be anticipated nor desired.

It is not to be expected, either, that the Geneva agreement will immediately bring into the United States a volume of imports so large that the existing imbalance in the world’s trade will be removed. The agreement should help in some measure. But our trade cannot again be brought to balance until foreign production is restored.

The significance of the Geneva agreement is to be found, not in an overnight shift in exports or imports, but in its long-run influence on the policies of the principal nations engaging in world trade. So too with the articles of agreement of the Monetary Fund and the proposed charter of the ITO. Each of these instruments is directed toward the reestablishment of the conditions under which trade can flourish and individual enterprise throughout the world can take a new lease on life in more normal times.

International commitments to principle in trade policy, as we have seen, call for the removal of restrictions, for multilateralism, and for equality of treatment among all friendly states. But current practice in trade policy is characterized by an increase in restrictions, bilateralism, and discrimi-

nation. The explanation of the contrast is to be found in the factor of time. Current practice is dictated by the disturbed conditions of an economy torn by war, whose reconstruction is as yet far from complete. Commitments to principle are concerned with the rules that will govern international commerce as the world works its way back to stability, prosperity, and peace.

If reconstruction must come first, as indeed it must, it may well be asked why we concern ourselves today with policies whose application will in considerable measure be delayed. The answer is emphatic. If we do not now see to it that our long-run policies are right, we shall find ourselves confronted, at the end of the recovery program, with restrictions hardened into a mold too tough to break. There would be little sense in making heavy contributions to reconstruction if we had small hope that conditions, in the nineteen-fifties, would be any better than they are today. We must know, as we work our way out of the chaos left by war, in what direction we are headed, and why. We have an opportunity now to put the trading policies of nations back on the rails and start them moving toward a better day. This is what we sought to do at Bretton Woods and at Geneva. This is what we shall seek to do at the conference that opens at Habana in the coming week. This has been our purpose ever since the war. It will remain our purpose in the months that lie ahead.

Extension of Time for Renewing Trade-Mark Registrations by Nationals of France and the Netherlands

The President, by proclamation of November 10, 1947, has granted an extension of time to and including June 30, 1948, for renewal of registration of trade-marks of nationals of France in the United States, with respect to registrations which expired after September 3, 1939, and before July 5, 1947. Also by proclamation of November 10, the President has granted an extension of time for renewal of registration of trade-marks of nationals of the Netherlands in the United States, under the above conditions.

1 Proclamation 2754 (12 Federal Register 7381).
2 Proclamation 2755, ibid.
Publication Plans for Captured German Documents

STATEMENT BY THE SECRETARY OF STATE

[Released to the press November 12]

The Department has been assured by the Army that no texts of any of the German Foreign Office documents in United States custody have been released to the press and that it is not the intention of the Army to release these documents to the press. The Army has further informed the Department that no information relative to the German-Russian negotiations appeared in the German press that has not already been printed in American and British newspapers over a year ago.

With respect to our plans for publication of all these captured documents:

In June 1946 the British Foreign Office and our Department of State entered into an agreement for the purpose of editing and publishing a series of volumes of German Foreign Office and related documents which would give a complete and accurate account of German diplomacy relating to World War II. It was proposed to call in top-flight outside scholars who would do this job on a completely objective and scholarly basis. It was an unprecedented act in the direction of open diplomacy on the part of the Department of State and the Foreign Office. The idea and hope were that in this way we would be able to present to the world a documentary record which would carry conviction and would be of vast assistance in the reeducation of the German people and the enlightenment of American and world opinion generally.

Early this year the French Government requested permission to come into the project and was permitted to do so. It is, therefore, on a tripartite basis.

These documents were captured by the American and British forces toward the end of the war and are now in the American sector of Berlin under the immediate control of American authorities. The Department has a team of eminent professional scholars engaged on this editorial work. Dr. Raymond Sontag, professor of history, University of California, has been called in as American editor-in-chief of the project, and Dr. Malcolm Carroll, professor of history, Duke University, is assistant editor, in charge of the operations in Berlin. The British and French Governments also have staffs of eminent professional historians working with our staff. The staff has been working since September 1946 and hopes to make the final selection of documents for the first set of volumes early next year.

It is the aim of the Department to expedite the publication of all relevant materials on the subject of German war policies. We desire to publish groups of documents which tell a complete story.

Overseas Surplus Report Sent to Congress

[Released to the press by OFLC October 31]

United States property overseas totaling over $10,000,000,000 (procurement cost) has been declared surplus to the Office of the Foreign Liquidation Commissioner according to the seventh quarterly report transmitted to the Congress on October 31 by Acting Secretary of State Robert A. Lovett. Eighty-two percent of the property has already been disposed of with a return to the Government of 22 percent of the original cost. Offers of substantial quantities of property have been made in Europe during the past quarter, and a considerable volume of sales on a selective basis.

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through the “site sales” plan has resulted, Mr. Lovett stated, adding that through these sales the bulk of the property most useful in the restoration of the European economy has already been committed.

Throughout the world bulk sales to 10 major countries have realized a return of $945,000,000 on a total original cost of $5,154,000,000, Maj. Gen. Donald H. Connolly, Foreign Liquidation Commissioner, said on October 31 in commenting on the quarterly report of his global organization. A declining rate of sales continues to reflect the increasing difficulty of selling residual surpluses, coupled with the handicaps imposed by transportation problems outside the Western Hemisphere, the report states.

New operations reported during the quarterly period include the first offers for sale to American business interests of German industrial plants declared as reparations for the United States. The plants, which include an aluminum-foil processing plant, Aluminumwerke Tscheulin at Teningen, Germany, and two chemical plants, Dynamit A.G. at Geestacht-Krummel and Paraxol at Lippoldsburg, are currently being offered for sale for use in the United States or a third country.

Information concerning the second bulk sale of surpluses to the Italian Government is also reported by OFLC as are operations under the Philippine rehabilitation act.

**Sentenced Rumanian Opposition Leader Proclaimed Champion of Democratic Ideals**

*Statement by the Secretary of State*¹

The views of the United States Government concerning the denial of human rights in Rumania through the arbitrary arrest and inhuman treatment of Rumanian opposition elements have been expressed in several statements given to the press during recent months.² The trial which has just concluded conforms to the general pattern of all such political trials in that area (notably the judicial travesty of the Petkov trial in Bulgaria), whose evident purpose is to eliminate every vestige of democratic opposition to the Communist-dominated regimes. The stature of Mr. Maniu as an outstanding champion of democratic ideals in eastern Europe over many years is unaffected by the sentence which has been imposed upon him.

**Procedure for Filing War Claims in Greece**

*Released to the press November 3*

The Department of State has been informed that American nationals may apply to the Direction of Economic Affairs of the Greek Ministry for Foreign Affairs for assistance in recovering looted property which was removed or is presumed to have been removed from Greece during World War II. It is the responsibility of the government of the Allied country from which property has been removed by enemy forces during the war to report the removal of such property to the proper authorities in the countries to which the property may have been taken. The principle that looted property which is discovered in enemy territory will be delivered to the government of the country from which it was removed has been established for Germany by the Allied Control Authority, for the American zone in Austria by the United States Government, and for Bulgaria, Hungary, Italy, and Rumania by peace treaty provisions.

Proceedings for the recovery of property involuntarily transferred as a result of the occupation may be instituted with the General Accounting Office, Direction IX, Ministry of Finance, Athens. The time limit for the filing of petitions for annulment of transfers expired on February 28, 1947. Petitions initiated after that date must be filed through the General Accounting Office, where they are examined to determine the possibility of settlement.

For statistical reasons the Greek Government has collected data submitted on war damage to property, but for the time being payment of compensation is not contemplated. American citizens whose property in Greece suffered war damage may submit statements on the damage incurred. The acceptance of such statements by the General Accounting Office, however, should not be construed as a commitment that compensation will be paid.

¹ Made at his press conference on Nov. 12, 1947, when asked for a comment concerning the Maniu trial at Bucharest, and released to the press on the same date.


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American Political and Strategic Interests in the Middle East and Southeastern Europe

BY LOY W. HENDERSON
DIRECTOR OF THE OFFICE OF NEAR EASTERN AND AFRICAN AFFAIRS

The primary objective of our foreign policy is the maintenance of world peace on the basis of the principles incorporated in the Charter of the United Nations. Our foreign policies have additional aims, such as the promotion of the prosperity and well-being of the peoples of the United States and of other nations, but all our foreign-policy aims are subordinated to, or supplementary to, the primary objective which I have just stated. If this objective is to be attained, the Government of the United States must take an active interest in any area in which there are situations menacing world peace. Such situations exist at the present time in the Middle East and southeastern Europe.

It is in keeping with our primary foreign-policy objective that in this area we should be pursuing a policy of endeavoring to prevent these situations from developing into great armed conflicts. Our political and strategic interests in the Middle East and southeastern Europe are derived from this policy. They are essentially of a peaceful character.

It must be recalled that the Middle East and southeastern Europe are of tremendous strategic value. They form great common highways between the East and the West. They possess rich agricultural resources and extensive mineral wealth.

So great is the strategic value of the Adriatic and Aegean Seas that during the last 2,500 years many wars have been fought for the control of them. During the last 300 years similar rivalry with respect to the Straits connecting the Black and Mediterranean Seas has contributed to a whole series of armed conflicts. Various great powers for the last half century have been looking with envious eyes upon the Suez Canal, that strategic link between the seas of the East and West.

The construction of highways, railways, and airfields during recent years has stimulated the economic development and at the same time enhanced the strategic value of the Middle East. For example, the new railway and the highways connecting the Caspian Sea with the Persian Gulf did not merely strengthen the economy of Iran; they also proved to be extremely useful in facilitating the shipment of American lend-lease goods to the Soviet Union during World War II. Similarly, the railroads and highways of Egypt, Iraq, and the Levant were of aid to the Allies. During the war period the skies of the Middle East were also used as traffic lines through which moved in a variety of directions great quantities of Allied supplies and personnel. Some of the airfields constructed in the Middle East for war purposes have been converted to peacetime use and are now serving commercial airlines connecting the East and West and the North and South.

The agricultural wealth and potentialities of the Middle East are impressive. The richness of the valley of the Nile is well known. Development of the valleys of the Tigris and Euphrates now understood to be under consideration could make Iraq one of the great food-exporting countries. Economic developments in Afghanistan, Iran, Syria, Palestine, Egypt, the Sudan, and other countries could multiply the agricultural production of the area.

The mineral resources, although thus far only superficially explored and comparatively little developed, are enormous. Oil experts tell us that, of the approximately 66 billion barrels of known petroleum reserves of the world, at least 30 billion barrels are to be found in the Persian Gulf area, that is, in Iran or within 90 minutes’ flying time from that country. The petroleum reserves of

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1 Address delivered before the Academy of Political Science in New York, N.Y., on Nov. 12, 1947, and released to the press on the same date.
the Middle East are of good quality and are easily accessible. Middle Eastern oil represents the life-blood of the industry and transport, not only of southern Asia and of Africa but also of the Europe of the future. An unfriendly great power in possession of these reserves, therefore, would be in a position to hamper, if not to prevent, the rehabilitation of western Europe and to retard the economic development of Africa and southern Asia.

We are beginning to have a more mature approach to the problem of oil. We are realizing that oil is not merely so much black gold and that a display of interest in the disposition or control of petroleum is not necessarily a manifestation of sinister imperialism. We are learning that at this stage of industrial development, oil, like food, is essential to the operation of our very economic life and to the maintenance of what we consider as civilization.

In view of their economic and strategic importance, the Middle East and southeast Europe are prizes most tempting to an aggressive and ambitious great power. Such a power might well be able, if once in possession of the strategic facilities and economic resources of this area, to decide the destinies of at least three continents and to cast a dark shadow over the whole world for many years to come.

A number of factors contribute at the present time to the vulnerability of the Middle East and southeast Europe to direct or indirect aggression from without.

One of these factors is the shift now taking place in power relationships. Prior to the outbreak of World War II, various great powers of western Europe bore the burden as colonial rulers, protectorators, mandatories, or allies for the maintenance of order in the Middle East and for defending this area from aggression from without.

Immediately preceding and during the war years there has been a steady weakening of the bonds between these powers and the people of the Middle East. Colonies are moving toward self-government; protectorates are becoming gradually less dependent; mandated areas are being granted their independence; treaties of defensive alliance are tending to lose their former effectiveness. Furthermore, the great powers of western Europe have not as yet been able fully to recover politically and economically from the blows which they suffered during the war. These powers without aid from beyond the borders of Europe might not be able to save the Middle East if that area should be the object of aggression on the part of some neighboring great power.

Another factor contributing to this vulnerability is the presence in certain countries of the Middle East of an increasing number of dissatisfied citizens, the discontent of whom could be exploited by an aggressor intent on weakening the ability of the Middle East to defend itself. The majority of the population in some of the Middle East countries have not been able to reach the political, economic, and technical levels which have been attained by the peoples of the Western World. There are historical reasons which it is not necessary here to enlarge upon for this lag. The people of the Middle East do, however, have outstanding natural abilities and talents. They are heirs of rich civilizations. If given an opportunity, they are capable of achieving economic and cultural standards for themselves comparable to those of the peoples of the Western World and of playing a constructive role in world affairs worthy of their heritage.

The peoples of the Middle East are beginning to insist that they be given this opportunity. They are also demanding the right to a wider participation in their own governments. They are anxious to have foreign technical advice and assistance. They wish to benefit from the experiences of other countries which are technically further advanced, in order that they may build an enlightened society and a progressive civilization on the foundation of their own culture and traditions. Many of them find their progress too slow. They are becoming impatient and restive. Until peoples of the Middle East feel that they are making real political, economic, and cultural progress, existing discontents will continue to weaken the stability and undermine the security of the area.

Another factor which tends to increase the vulnerability of the Middle East and southeastern Europe is that of economic dislocation.

The economic structure of the whole area is still suffering from the strains and distortions brought about by the war and events subsequent to the war. Established trade channels have been interrupted or destroyed, and new channels, some temporary

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and others more permanent, have been opened; price levels have been artificially established; shortages in raw materials as well as in various capital and consumption goods have brought privations and suffering to certain groups and localities and a degree of unprecedented prosperity to others. In some countries the rich have become richer while the conditions of the poor have not improved. In other countries economic leveling processes are discernible. In most countries the various shifts and dislocations lead to uncertainties and to dissatisfactions which might well weaken ability to resist aggression.

In Greece economic dislocation has been aggravated by the ravages of the war years and by the disappearance of the markets of most of the European Continent. In several countries the economic strain has been intensified by the necessity of maintaining considerable armies in a state of preparedness in the face of external threats and pressures.

Still another factor which contributes to the vulnerability of the Middle East and of southeastern Europe is the increased interest and activity of international communism in the area. The strategy of international communism is so well known that it is unnecessary for me to do more here than outline the pattern which has become far too familiar. Taking advantage of confusion and disorder consequent to war, a well-organized and highly disciplined Communist minority seizes power and sets up a government which it manipulates without regard to the will of the people. Using the territory thus seized as a base of operations, the Communists conspire and intrigue to extend their power to additional countries. They promote violence, disorder, and misery until a situation is created favorable to their seizure of power.

Communist domination of additional territories is not usually achieved by direct armed attack from abroad. These conquests are usually carried out by small groups of local Communists, or by foreign agents masquerading as local Communists, supported by Communist sympathizers at a time when the threat of the armed forces of international communism on the spot or held in readiness nearby intimidates many who would otherwise resist. Communist rule over territories thus acquired is maintained by dictatorship and police terror. It is becoming increasingly clear that international communism has the aim of bringing about situations in the countries of the Middle East and in Greece likely to lead to a weakening of the ability of these countries to resist Communist pressure and penetration from without.

In pursuing its aim in these countries, international communism endeavors to create or prolong chaos and disorder; to frighten by press and radio campaigns, by diplomatic warnings and threats, and by ostentatious displays of armed might; to exploit such discontents as already exist; and to stir up additional economic, national, and religious strife. International communism takes advantage of every opportunity to promote mutual distrust among the nations of the area and to weaken such ties as exist between them and democratic peoples in other parts of the world.

Unfortunately these efforts on the part of international communism are sometimes aided and abetted by misguided Idealists who do not understand the real purposes of the Communists, or by individuals, groups, or even governments who in order to obtain Communist support for some particular objective are willing to ally themselves at least temporarily with the international Communist movement.

The independence of a number of European countries has already been extinguished. That of the others is rapidly disappearing. These Communist successes have been achieved in spite of the fact that in every one of these unhappy countries the majority of the population are highly individualistic, prize independence, and oppose communism.

We must not permit ourselves, however, to become too pessimistic. We must remember that there are also many factors which give a basis for hope that the security of the Middle East and that part of southeastern Europe which still retains its independence will be maintained.

The growing national consciousness among many of the peoples of this area is a hopeful sign because it is accompanied by an increased determination to maintain their independence and to retain the right to govern themselves in their own way. This consciousness and determination are likely to enable these peoples to stand firm against any direct or indirect aggression which threatens to deprive them of their national existence.

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Then, too, there is a growing awareness in the Middle East, southeastern Europe, and throughout other areas of the world of the true nature of communism. The increased knowledge of both Communist aims and tactics is making it progressively more difficult for international communism covertly to penetrate new territories.

The existence of the United Nations is another bulwark for the protection of the Middle East and Greece against aggression. One of the purposes of the United Nations is— in the words of its Charter— "To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace . . . ."

Although the effectiveness of some of the organs of the United Nations has been reduced by the use of the veto, the boycott, and other obstructive tactics, the moral force of the United Nations is still so great that no member has yet been willing openly to flout it. An examination of the proceedings of the Security Council during 1946 makes clear the importance of the role of the United Nations in preserving the independence and territorial integrity of Iran. Similarly, were it not for the continued and active interest displayed both by the Security Council and the General Assembly in the Greek case, it is quite possible that Greece would by now have fallen victim to aggression.

Although the United Nations has demonstrated its value as an instrument of collective security, it must be recalled that it is only an instrument and that its effectiveness can be no greater than the determination of its members to maintain the principles incorporated in its Charter.

The United States and most other members of the United Nations are clearly determined to maintain the principles of the Charter in the Middle East and in southeastern Europe. Their determination, which is reflected in recent proceedings of the organs of the United Nations, is another factor discouraging to aggression in this area. The determination of the United States in this respect is derived not only from its obligation to support the Charter but also from a number of other considerations, including concern for the welfare of the peoples of this area. We feel a genuine friendliness for these peoples, and we sympathize with their political, economic, and cultural aspirations. We believe that it would be particularly tragic for them to lose their independence just at a time when they are on the threshold of an era of freedom which offers so many opportunities for advancement.

There are also considerations affecting our own welfare and that of peoples outside the Middle East and southeastern Europe, for it is clearly in the interests of our own national security and in those of world peace that there should be no aggression in that area.

Our determination has been demonstrated by the attitude which we have assumed since the end of the war with regard to various specific problems of the Middle East and southeastern Europe. For example, we attempted through friendly diplomatic approach in 1945 to persuade the Soviet Union to withdraw Red Army troops from Iran. Our effort through diplomatic channels was not successful. When the Iranian case was brought before the Security Council in 1946, we played a leading role in endeavoring to bring about a settlement which would result in the preservation of Iranian independence and integrity. We have insisted that the case remain on the agenda of the Security Council until it is clear that the security of Iran is not in danger.

The United States adopted a similar position when the Soviet Union launched a diplomatic, press, and radio campaign shortly after the end of the war to force Turkey to cede certain Turkish provinces and strategic facilities in the Straits. We have indicated that although we would look with favor upon certain modifications in the Montreux convention because of changed world conditions, we could not and would not support or approve any proposals endangering Turkish independence or sovereignty.

Our efforts in both the Security Council and the General Assembly to obtain effective United Nations action to protect Greece against aggression are well known. The Greek case was transferred to the General Assembly when the Soviet veto blocked efforts of the members of the Security Council to end the interference of Greece's northern neighbors in her internal affairs. At this very moment a United Nations commission is preparing to depart for Greece. This commission
will keep the General Assembly informed regarding current developments along Greece's northern frontiers and will endeavor in the interest of Balkan and world peace to bring an end to acts of aggression in that region.

The expression of our determination to aid the countries of the Middle East and Greece in maintaining their political independence and national integrity is by no means confined to diplomatic approaches or to activities in the United Nations. We are convinced that much of the discontent of various peoples of this area with their political, economic, and cultural conditions is justified and that we would not be living up to our new world responsibilities if we should fail to do our share in eliminating the grounds for such discontent. We furthermore realize how important it is that the United States assist in relieving the strains and dislocations from which the economic structure of most of the countries of this area are still suffering. We are, therefore, taking all possible and proper measures to promote directly and indirectly the political, economic, and cultural advancement of the peoples of this area. Within the limitations of our resources and our commitments in other areas which are also urgently in need of our help we are endeavoring to assist the various countries of the Middle East and Greece to meet their individual needs. Such assistance may be implemented by sending special missions, by providing technical experts or advisers to the interested government, or, in some instances, by facilitating the extension of credits to rehabilitate or modernize the country's economy. Our present programs of aid to Greece and Turkey, elaborated with the approval and assistance of Congress, are only the most dramatic illustrations of our determination to preserve freedom and independence in one of the vital areas of the world.

Through the public discussions of these programs, the American people have gained a clearer understanding of the importance of this area to the United States.

It is in the interest of world peace that there be universal appreciation of the extent of the determination of the United States and like-minded members of the United Nations to maintain the security of the Middle East and Greece and to assist the countries of that area in preserving their political independence and territorial integrity.

Recovery of American Property Confiscated by Japanese in China

[Released to the press November 14]

Recent communications from the American Embassy at Nanking make it possible for the Department of State to issue more detailed information than appeared in the announcement of October 16, 1947, on the subject of the recovery of American property confiscated or looted during the Japanese occupation of China.1

Applications for the return of American-owned property which was located in China at the time of the Japanese occupation and which was seized by the Japanese and subsequently found in China should be submitted to the local branch of the Alien Property Liquidation Office of the Central Trust of China, within whose jurisdiction such property is located. Branch offices are located in Shanghai, Tsingtao, Tientsin, Hankow, and Canton. Applications from American nationals in the United States should be sent to the American Consulate General in the appropriate one of those cities for forwarding to the branch office of the Central Trust in that city. December 31, 1947, has been established as the final date for submission of such applications. No application form is prescribed.

Applications for the return of American-owned property located in China at the time of the Japanese occupation and removed to Japan by the Japanese should be submitted to the American Embassy at Nanking for forwarding to the Reparations Commission of the Executive Yuan. No final date for submission of applications for the return of looted property has been established, but prompt submission is strongly recommended. The Far Eastern Commission in a policy decision of July 18, 1946, specified four categories of goods which, if found in Japan and identified as having been removed from an Allied country fraudu-

American Occupation Policies in Japan

BY HUGH BORTON

SPECIAL ASSISTANT TO THE DIRECTOR OF THE OFFICE OF FAR EASTERN AFFAIRS

American occupation policies for Japan are based on the concepts originally set forth on July 26, 1945, in the Potsdam proclamation by the President of the United States, the President of China, and the Prime Minister of Great Britain and later adhered to by the Soviet Union. In this declaration, as you will recall, we set forth our minimum terms for Japanese capitulation. We stated that the authority and influence in Japan of those responsible for Japanese aggression must be eliminated for all time and that irresponsible militarism must be driven from the world before there can be order, peace, and security. It provides for the occupation of Japan to achieve our objectives and the limitation of Japanese sovereignty to the four main islands of Japan and such minor islands as we determine. According to the Potsdam agreement, Japanese military forces were to be completely disarmed, stern justice was to be meted out to all war criminals, but the Japanese were not to be destroyed as a race or as a nation. The proclamation assumed that the administrative governmental machinery in Japan was to continue and consequently placed direct responsibility on the Japanese Government to remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. In the economic field, Japan was to be permitted to maintain those industries that would sustain her economy and permit the exaction of just reparations in kind, to have access to raw materials, and eventually to participate in world trade relations.

Having established our general terms, it was necessary that the United States act toward Japan in such a way as to preserve two basic policies, namely, that the predominant position of the United States in the war in the Pacific be preserved and that, at the same time, the legitimate rights and interests of our Allies be met. Consequently, General of the Army Douglas MacArthur was designated as the Supreme Commander for the Allied Powers and was given supreme authority over Japan. The surrender instrument of September 2 specifically provided that the authority of the Emperor and the Japanese Government to rule the state should be subject to the Supreme Commander, who would take such steps as he deemed proper to effectuate the terms of surrender. United States policies were further elaborated in the United States initial post-surrender policy for Japan, which was approved by the President on September 6, 1945. This statement, an amplification of the basic principles set forth in the Potsdam declaration, contained provisions whereby the special interests of the United States would be preserved and at the same time recognized the legitimate interests of the Allies. It stated that the ultimate objectives of the United States in regard to Japan were, first, to insure that Japan was not again to become a menace to the United States or to the peace and security of the world and, secondly, to bring about a peaceful and responsible government which would respect the rights of other states. It provided for the immediate disarmament and demilitarization of Japan and that there would be military occupation of Japan to effectuate the surrender terms and to further the achievement of the ultimate objectives. It stated further that the occupation should have the character of an operation in behalf of the principal Allied Powers acting in the interests of the United Nations at war with Japan but that the occupation forces would be under the command of a Supreme Commander designated by the United States. To assure that the predominant influence and responsibility of this Government was maintained in Japan the policy provided that, although every effort would be made by consultation and by constitution of appropriate advisory bodies to establish policies for the conduct of the occupation and

*Address delivered before the Academy of Political Science, New York, N.Y., on Nov. 12, 1947, and released to the press on the same date.
the control of Japan which would satisfy the principal Allied Powers, in the event of any differences of opinion among them the policies of the United States were to govern.

The United States had already taken steps for the establishment of such advisory bodies. On August 21, 1945, the United States suggested to China, Great Britain, and the Soviet Union the establishment of the Far Eastern Advisory Commission. This purely advisory commission, in which the Soviet Union did not participate, was succeeded by the Far Eastern Commission, in which the Soviet Union does participate, with specific policy-making functions following agreement at Moscow in December 1945. The terms of reference of the Far Eastern Commission stated that its functions should be to formulate the policies, principles, and standards in conformity with which the fulfilment by Japan of its obligations under the terms of surrender were to be accomplished and to review any directive issued to the Supreme Commander or action taken by him involving policy decisions within the jurisdiction of the Commission. Other sections of the terms of reference, however, preserve the special position of the United States. For example, in its activities the Commission must respect existing control machinery in Japan, including the chain of command from the United States Government to the Supreme Commander and his command of the occupation forces. The United States Government also prepares the directives for the Supreme Commander in accordance with the policy decisions of the Commission, while full powers of implementation of these directives are reserved to General MacArthur. The United States Government has the additional authority to issue interim directives to the Supreme Commander pending action by the Commission whenever urgent matters arise not covered by previous Commission decisions, providing such directives do not deal with fundamental changes in the Japanese constitutional structure, the regime of control, or a change in the Japanese Government as a whole. Finally, under the voting procedure of the Far Eastern Commission no policy decision can be passed without the approval of the United States, for the terms of reference provide that any action must have the concurrence of at least a majority of all of the representatives, including the United States, the United Kingdom, the Soviet Union, and China. While this veto provision has postponed favorable action on many issues in the Far Eastern Commission it has likewise assured the United States that no policies will be adopted which are not acceptable to it.

As all policies approved by the Far Eastern Commission have had to receive United States concurrence, an understanding of recent American occupation policies in Japan can best be reviewed by consideration of basic decisions of the Far Eastern Commission. Since its inception on February 26, 1946, the Far Eastern Commission has dealt with political, economic, and social policies for Japan. In the political field, with the appearance on March 6, 1946, of the draft of the new Japanese Constitution sponsored by the Japanese Government and released with the personal endorsement of General MacArthur, the Commission gave careful consideration to the question of constitutional reform. The criteria for the adoption of the new constitution were to be such as to insure that the Constitution was a free expression of the will of the Japanese people, that adequate time and opportunity were allowed for its discussion, that legal continuity from the Constitution of 1889 was assured, and that the new Constitution was adopted in such a manner as to demonstrate that it affirmatively expressed the will of the Japanese people. Two months later, decision was reached in the Commission on the basic principles for a new Japanese Constitution. These principles provided that the executive should derive its authority from and be responsible to the electorate or a representative legislative body, the legislature should have full financial power, the judiciary should be independent, that the ministers of state should be collectively responsible to the legislature, and that if the institution of the Emperor was retained the Emperor should act in all matters in accordance with the advice of the Cabinet and should have no executive powers. A careful examination of the Constitution as promulgated on November 3, 1946, reveals that it conforms closely to these principles, and since that time the Japanese Diet has been implementing the new Constitution through the revision of the basic laws.

In more general terms the Far Eastern Commission agreed that Japan should be disarmed.
and demilitarized and all military forces should be disbanded. Persons who had been active exponents of militarism and militant nationalism were to be removed and excluded from public office and any other position of public or substantial private responsibility, while ultranationalistic organizations were to be dissolved and prohibited. Military training in all forms was to be eliminated from the educational system, and stern justice was to be meted out to all war criminals. On the positive side, freedom of worship and observance of all religions was to be proclaimed and guaranteed for the future, and the Japanese people were to be afforded opportunity to become familiar with the history, institutions, culture, and accomplishments of the democracies. Encouragement was to be given to democratic political parties with rights of assembly and public discussion and to the formation of trade unions, subject, of course, to maintenance of security of the occupying forces. Individual liberties and civil rights were to be protected, and laws and decrees were to be abrogated which established discrimination on the grounds of race, nationality, creed, or political opinion. On all these matters, either General MacArthur has taken steps to carry these policies out or the Japanese Government has done so.

Economic objectives in large measure have been twofold—first, to complete the task of the demilitarization of Japan through industrial disarmament, economic reform designed to deprive Japan of power to make war, and the elimination of militaristic influences; secondly, to help the people of Japan, in their interest as well as that of the world, to meet their reasonable economic needs through the development of peaceful industries and participation in world trade. To meet the first objective of demilitarization, the Far Eastern Commission agreed that organizations of labor in industry and agriculture organized on democratic bases were to be encouraged and policies were to be laid down with the object of insuring a wide and just distribution of income and the ownership of the means of production. To this end, the retention in important positions in the economic field of individuals who because of their past associations could not be trusted to direct Japanese economic effort solely toward peaceful and democratic ends was to be prohibited. Thus SCAP has encouraged cooperatives, a capital levy has been enacted, and a bill is now before the National Diet providing for the liquidation of undue concentration of economic power.

The second objective of helping the Japanese to resume peaceful economic activity and international trade and financial relations is essential since otherwise this country of 75 millions crowded into a war-torn area less than the size of California would be an increasingly heavy burden on the American taxpayer. To meet this objective the Japanese Government was made responsible for maintaining internal economic controls over wages and prices and for effecting controlled distribution of commodities in short supply. After several months of delay, an Economic Stabilization Board was finally established with necessary control functions. In view of worsening internal economic conditions and after clear indication that the Government was not exerting its best efforts to control inflation, General MacArthur wrote the Prime Minister on March 28, 1947, to the effect that future food imports from the United States had been calculated on the assumption that Japan would maximize its production of indigenous food supplies and assure their equitable distribution, and indicating that imports of American food would be subject to satisfactory Japanese performance in these fields.

Internal economic controls were not sufficient to permit Japan to sustain her peacetime economy. The Far Eastern Commission established the principle that the peaceful needs of the Japanese people should be defined as being substantially the standard of living prevailing in Japan during the period 1930–34. But before any advance could be made toward greater self-support for Japan, trade had to be developed. To this end on October 10, 1946, the Far Eastern Commission approved the establishment of an Inter-Allied Trade Board for Japan composed of representatives of the 11 countries members of the Far Eastern Commission. The purpose of the Board is to assist the United States and the Supreme Commander in the disposition of exports from Japan and in the furnishing of imports required for Japan and to make recommendations to the United States Government on the best arrangements for facilitating Japanese exports and imports generally. Since October 24, 1946, the Board has been meeting in Washington and has been primarily concerned

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with the allocation of Japanese textile exports, the marketing of Japanese silk, and the problem of reopening private trade.

In furtherance of the trade program for Japan, the Far Eastern Commission decided on the criteria that should govern the conduct of Japanese world trade. It declared that the primary objective of the Japanese import program should be to minimize the cost and difficulty of procurement but at the same time giving due consideration to the needs of countries other than Japan for commodities in world short supply.

In the case of exports, the destinations of exports from Japan should be such as to maximize the proceeds of such exports, taking into account the price, the purchasing power of the currency for which the commodity is sold, and the availability of necessary imports which can be procured with the proceeds of the exports. Furthermore, necessary decisions were reached relating to Allied Trade Representatives in Japan, and private traders have been permitted in Japan since August 15, 1947. Furthermore, action by the Far Eastern Commission has recently made it possible to use Japanese-owned liquid assets of gold and silver as a credit base to facilitate the import of raw materials; General MacArthur has established a revolving fund which has initial assets of 137 million dollars.

Other steps have been taken by the Far Eastern Commission in reference to Japanese production. In order that Japan might supply goods needed in areas deprived of such goods as a result of Japanese aggression, it was agreed that measures should be continued or taken to stimulate Japanese production of goods required for export and to insure that the kinds of goods produced are those in demand in countries requiring supplies from Japan. Furthermore, the Supreme Commander has been directed to ascertain the types and amounts of goods in Japan available for export, to recommend the types of goods to be imported, and to develop a trade program.

Recognizing that the settlement of the reparations question will have a salutary effect on the Japanese economy by eliminating present doubts as to just what will be expected of Japan in the way of reparations, the United States has repeatedly pressed for a speedy decision by the Far Eastern Commission on reparations questions. So far, agreement has been limited to such items as interim reparation removals, the criteria for the selection of plants for reparations, and the broad principles to be used in determining shares for each country. These principles provide that reparations be in such form as will not endanger the fulfillment of the program of demilitarization of Japan and which will not prejudice the defraying of the cost of occupation and the maintenance of a minimum civilian standard of living. The Commission is still trying to determine, on a broad political basis, the shares of reparations which each particular country should receive.

In conclusion, one of the most important problems in relation to Japan at the present moment is the negotiating of a peace treaty. Having become convinced that the time had arrived for convening of a peace conference on Japan, the United States suggested on July 11, 1947, as you will recall, to the 10 other countries members of the Far Eastern Commission that a conference to discuss a peace treaty for Japan be held as soon as practicable, such a conference to be outside the Far Eastern Commission but to be composed of representatives of members of the Commission. The United States further proposed that voting in such a conference be by a two-thirds majority, that it initially be composed of deputies and experts to prepare a draft treaty, and that after such a treaty was approved by the Foreign Ministers of the 11 countries concerned it be submitted to a general conference of all the states at war with Japan. All of the countries except the Soviet Union agreed with the proposal for an 11-power conference, and 8 of them agreed to our proposed voting procedure. The Soviet Union maintained that the question of convening a conference for the drawing up of a peace treaty for Japan should be provisionally examined by the Council of Foreign Ministers, composed of the United States, the Soviet Union, China, and the United Kingdom.

On August 12, 1947, the United States rejected this proposal and stated that it was hoped the Soviet Union would be willing to attend a conference of Far Eastern Commission countries, such a conference being free to decide its own procedure. On August 29 the Soviet Union reiterated its former position. More recently the Chinese Foreign Minister has indicated that the peace conference should adopt a voting procedure similar to...
that which obtains in the Far Eastern Commission, whereby decisions are taken by a majority vote including the concurrence of the United States, the Soviet Union, China, and the United Kingdom. Press statements from Nanking have indicated that if the Chinese participated in a peace conference which the Soviets refused to attend such action would have serious consequences upon Soviet-Chinese relations because of article II of the Sino-Soviet treaty of 1945, which states:

The High Contracting Parties undertake not to enter into separate negotiations with Japan and not to conclude, without mutual consent, any armistice or peace treaty either with the present Japanese Government or with any other government or authority set up in Japan which do not renounce all aggressive intentions.

Before a peace conference of Japan can be called, therefore, it is necessary to work out a voting procedure which will be acceptable to the countries concerned.

Agreement With China To Implement Educational Exchange Act

U.S. EDUCATIONAL FOUNDATION IN CHINA ESTABLISHED

[Released to the press November 10]

In Nanking on November 10 the first agreement putting into operation the program of international educational exchanges authorized by the Fulbright act (Public Law 584, 79th Congress) was signed by the Minister of Foreign Affairs, Wang Shih-Chieh, on behalf of the Government of the Republic of China, and J. Leighton Stuart, the American Ambassador to China, on behalf of the Government of the United States.

This agreement establishes the United States Educational Foundation in China to administer certain funds resulting from the sale of surplus property to China. The Fulbright act, which amends the Surplus Property Act of 1944, is predicated on the knowledge that many countries are not able to make complete payment for purchases of these supplies in United States dollars. It therefore provides that partial payment may be made in local currencies which will then be used by the United States for educational purposes.

The present agreement places at the disposal of the Government of the United States the equivalent in Chinese national currency of 20 million dollars United States currency to be expended at the rate of not more than the equivalent of one million dollars United States currency annually for certain educational purposes. These purposes include the financing of "studies, research, instruction, and other educational activities of or for citizens of the United States of America in schools and institutions of higher learning located in China, or of the citizens of China in United States schools and institutions of higher learning located outside the continental United States . . . including payment for transportation, for tuition, maintenance and other expenses incident to scholastic activities; or (2) furnishing transportation for citizens of China who desire to attend United States schools and institutions of higher learning in the continental United States . . . whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions."

The Foundation will have a five-man board of directors consisting of the principal officer in charge of the United States diplomatic mission in China, two members of the Embassy staff, and two citizens of the United States resident in China (one representing American business interests, and one representing American educational interests). The Government of China will appoint advisers to the board.

Now that the Foundation in China has been established, information will be made public in the near future as to where and how United States citizens can apply for grants.

In view of the long and successful history of cultural cooperation between the United States and China, which has contributed so materially to the strengthening of the ties of friendship between the two countries, it is believed to be particularly significant that this should be the first agreement under the Fulbright act to be concluded.

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The Government of the United States of America and the Government of the Republic of China;

Desiring to promote further mutual understanding between the peoples of the United States of America and the Republic of China by a wider exchange of knowledge and professional talents through educational contacts;

Considering that Section 32 (B) of the United States Surplus Property Act of 1944, as amended (Public Law No. 584, 79th Congress; 60 Stat. 754), provides that the Secretary of State of the United States of America may enter into an agreement with any foreign government for the use of currencies or credits for currencies of such foreign government acquired as a result of surplus property disposals for certain educational activities; and

Considering that under the provisions of the agreement between the Government of the United States of America and the Government of the Republic of China for the sale of certain surplus war property, signed at Shanghai on August 30, 1946, it is provided that the Government of the Republic of China shall make available to the Government of the United States of America the equivalent of $20,000,000 (United States currency) for research, instruction and other educational activities under the terms of Section 32 (B) of the Surplus Property Act of 1944, as amended, have agreed as follows:

Article 1

There shall be established in the capital city of China a foundation to be known as the United States Educational Foundation in China (hereinafter designated "The Foundation"), which shall be recognized by the Government of the United States of America and the Government of the Republic of China as an organization created and established to facilitate the administration of the educational program to be financed by funds made available by the Government of the Republic of China in accordance with Article 6 (B) (1) of the agreement for the sale of certain surplus war property signed at Shanghai on August 30, 1946. Except as provided in Article 3 hereof, The Foundation shall be exempt from the domestic and local laws of the United States of America as they relate to the use and expenditure of currencies and credits for currencies for the purpose set forth in the present agreement.

The funds made available by the Government of the Republic of China shall be used by the Foundation for the purposes, as set forth in Section 32 (B) of the U.S. Surplus Property Act of 1944, as amended (1) of financing studies, research, instruction, and other educational activities of or for citizens of the United States of America in schools and institutions of higher learning located in China, or of the citizens of China in U.S. schools and institutions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance and other expenses incident to scholastic activities;

or (2) furnishing transportation for citizens of China who desire to attend United States schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands and whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions.

Article 2

In furtherance of the aforementioned purposes, The Foundation may, subject to the provisions of Article 10 of the present agreement, exercise all powers necessary to the carrying out of the purposes of this agreement, including the following:

(1) Receive funds.

(2) Open and operate bank accounts in the name of The Foundation in a depository or depositories to be designated by the Secretary of State of the United States of America.

(3) Disburse funds and make grants and advances of funds for the authorized purposes of The Foundation.

(4) Acquire, hold, and dispose of property in the name of The Foundation as the Board of Directors of The Foundation may consider necessary or desirable, provided, however, that the acquisition of any real property shall be subject to the prior approval of the Secretary of State of the United States of America and also to such conditions and requirements as are or may be prescribed by laws and regulations enforced in the territory where the property is situated.

(5) Plan, adopt, and carry out programs, in accordance with the purposes of Section 32 (B) of the United States Surplus Property Act of 1944, as amended, and the purposes of this agreement.

(6) Recommend to the Board of Foreign Scholarships provided for in the United States Surplus Property Act of 1944, as amended, students, professors, research scholars, resident in China, and institutions of China qualified to participate in the program in accordance with the aforesaid act.

(7) Recommend to the aforesaid Board of Foreign Scholarships such qualifications for the selections of participants in the programs as it may deem necessary for achieving the purpose and objectives of The Foundation.

(8) Provide for periodic audits of the accounts of The Foundation as directed by auditors selected by the Secretary of the United States of America.

(9) Engage administrative and clerical staff and fix and pay the salaries and wages thereof.

Article 3

All expenditures by The Foundation shall be made pursuant to an annual budget to be approved by the Secretary of State of the United States of America pursuant to such regulations as he may prescribe.
Article 4

The Foundation shall plan its annual programs in such a way that full use shall, as far as possible, be made of the funds made available to The Foundation for each year. The Foundation shall not enter into any commitments or create any obligation which shall bind The Foundation in excess of the funds to be received during any given calendar year.

Article 5

The management and direction of the affairs of The Foundation shall be vested in a Board of Directors (hereinafter designated the “Board”), consisting of five directors.

The principal officer in charge of the diplomatic mission of the United States of America to the Republic of China (hereinafter designated as “Chief of Mission”) shall be Chairman of the Board. He shall have the power of appointment and removal of members of the Board at his discretion. The four other members of the Board shall be as follows: (A) two members of the Embassy staff, one of whom shall serve as treasurer; and (B) two citizens of the United States of America, one representative of American business interests in China and one representative of American educational interests in China.

The two members specified in (B) of the last preceding paragraph shall be resident in China and shall serve from the time of their appointment until the succeeding December 31 next following such appointment. They shall be eligible for reappointment. All the four members shall be designated by the Chief of Mission. Vacancies by reason of resignations, transfers of residence outside of China, expiration of term of service, or otherwise shall be filled in accordance with this procedure.

The Chinese Government shall appoint a number of advisers to the Board not to exceed five, who may attend all the meetings of the Board and participate in its discussions. The advisers shall have no vote, but their opinion shall be given due consideration by the Board at all its deliberations.

The directors and advisers shall serve without compensation, but The Foundation is authorized to pay the necessary expenses of the directors and advisers in attending meetings of the Board.

Article 6

The Board shall adopt such by-laws and appoint such committees as it shall deem necessary for the conduct of the affairs of the Foundation.

Article 7

Reports as directed by the Secretary of State of the United States of America shall be made annually on the activities of The Foundation to the Secretary of State of the United States of America and the Government of the Republic of China.

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limitation established pursuant to Article 3 of the present agreement.

Article 12

Whenever, in the present agreement, the term "Secretary of State of the United States of America" is used, it shall be understood to mean the Secretary of State of the United States of America or any officer or employee of the Government of the United States of America designated by him to act in his behalf.

Article 13

The present agreement may be amended by the exchange of diplomatic notes between the Government of the United States of America and the Government of the Republic of China.

Article 14

The present agreement shall come into force upon the date of signature.

In witness whereof the undersigned, being duly authorized thereto by their respective governments, have signed the present agreement.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.


Statements by the President, the Secretary of State, and others on the living conditions of displaced persons in Europe and their future prospects for resettlement, in the United States and elsewhere.


Report by the President covering activities and expenditure of funds under authority of Public Law 75, enabling the United States to render financial, technical, and material aid to Greece and Turkey.

Aspects of Current American Foreign Policy. Pub. 2961. iii, 60 pp. 20¢.

The subjects of the chapters include: peacemaking and occupation; the United Nations; support of free nations; European recovery; international economic policy; dependent areas; armaments and atomic energy; and the Inter-American system. Written to help American citizens to understand better certain of the issues and problems in our relations with other nations.

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Statisticians of Panama and Uruguay Visit Census Bureau

[Released to the press November 18]

Juan A. Rivera, Director of the Division of Agricultural Economy of the Department of Agriculture of Panama, and Fermín Carlos Boado, Subdirector General of Statistics, Ministry of Finance, Uruguay, have received grants-in-aid from the Department of State under the program administered by the Division of International Exchange of Persons of the Department.

These statisticians came to the United States in September to participate in the First Session of the Inter-American Statistical Institute and the Twenty-fifth Session of the International Statistical Institute. At the conclusion of these meetings they remained in Washington at the invitation of the Department of State and the Department of Commerce to consult with officers of the United States Bureau of the Census concerning plans for the 1950 census of the Americas.

Recovery of American Property

—Continued from page 1000

lently or under duress by the Japanese or their agents, are to be delivered to the government of the Allied country. The four categories are: industrial and transportation machinery and equipment; gold, other precious metals, precious gems, foreign securities, foreign currencies, and other foreign-exchange assets; cultural objects; and agricultural products and industrial raw materials.

The specification of the four categories does not exclude the possibility that other types of looted property found in Japan may be restored, upon proper identification, to the governments of the countries from which the property has been taken.

American owners of property seized by the Japanese, the present location of which is not known, may submit descriptions of the property and evidence of ownership to the Embassy at Nanking for forwarding to the Chinese Ministry of Foreign Affairs, which will enlist the aid of appropriate Chinese authorities in an attempt to find the missing property.

*BULLETIN of July 28, 1946, p. 163.

Department of State Bulletin
STATEMENT BY THE PRESIDENT

I deeply appreciate the willingness of the members of the Loyalty Review Board, established within the Civil Service Commission, to give of their service to that Board. Their acceptance involves real personal sacrifice. At the same time, they will have the satisfaction of knowing that they are contributing to the solution of one of the most difficult problems confronting our Government today.

I believe I speak for all the people of the United States when I say that disloyal and subversive elements must be removed from the employ of the Government. We must not, however, permit employees of the Federal Government to be labeled as disloyal or potentially disloyal to their Government when no valid basis exists for arriving at such a conclusion. The overwhelming majority of Federal employees are loyal citizens who are giving conscientiously of their energy and skills to the United States. I do not want them to fear they are the objects of any "witch hunt". They are not being spied upon; they are not being restricted in their activities. They have nothing to fear from the loyalty program, since every effort has been made to guarantee full protection to those who are suspected of disloyalty. Rumor, gossip, or suspicion will not be sufficient to lead to the dismissal of an employee for disloyalty.

Any person suspected of disloyalty must be served with a written notice of the charges against him in sufficient detail to enable him to prepare his defense. In some unusual situations security considerations may not allow full disclosure.

It would have been possible for the Government to remove disloyal persons merely by serving them with the charges against them and giving them an opportunity to answer those charges. I realize fully, however, the stigma attached to a removal for disloyalty. Accordingly, I have ordered the agencies of the Government, except where a few agencies find it necessary to exercise extraordinary powers granted to them by the Congress, to give hearings to persons who are charged with disloyalty.

Loyalty boards are being set up in each agency for this purpose. They are definitely not "kangaroo" courts. The personnel of these boards is being carefully selected by the head of each agency to make sure that they are judicious in temperament and fair-minded. Hearings before the boards will be conducted so as to establish all pertinent facts and to accord the suspected employee every possible opportunity to present his defense. The employee is to be given the right to be accompanied by counsel or a representative of his own choosing.

After the hearing has been completed the Loyalty Board in each department can recommend the retention or the dismissal of an employee. But the matter does not rest there. The employee may appeal the findings of the Loyalty Board to the head of the department, who can either approve or disapprove the board's recommendations.

If the head of the department orders the dismissal of the employee, he has still another avenue of appeal: namely, to the Loyalty Review Board within the Civil Service Commission. This Board is composed of outstanding citizens of the United States. These citizens have no ax to grind. They
THE DEPARTMENT

will not be concerned with personalities. Their judgment will be as detached as is humanly possible.

I expect the Civil Service Commission to function in a very real sense as a staff agency of the President for the purpose of doing everything it can to help him see to it that all aspects of this program are carried forward in an expeditious and satisfactory manner.

I am looking to the Federal Bureau of Investigation for the conduct of all loyalty investigations which may be necessary in connection with the operation of the program.

I am looking to the Loyalty Review Board to develop standards for the conduct of hearings and the consideration of cases within the various departments and agencies. With the cooperation of the staff of the Civil Service Commission, the Board should make sure that there is complete understanding of and adherence to these standards in all the departments and agencies.

The question of standards is of deep concern to me. Under the Executive order inaugurating this program, provision has been made, for example, for furnishing to the Loyalty Review Board by the Attorney General the name of each foreign or domestic organization, association, movement, group, or combination of persons which he, after appropriate investigation and determination, has designated as totalitarian, Fascist, Communist, or subversive. The Executive order in turn provides that the Loyalty Review Board shall disseminate such information to all departments and agencies.

This provision of the order has been interpreted by some to mean that any person who at any time happened to belong to one of these organizations would automatically be dismissed from the employ of the Federal Government.

This interpretation completely overlooks the fact that, under the provisions of the Executive order, "the standard for the refusal of employment or the removal from employment in an executive department or agency on grounds relating to loyalty shall be that, on all the evidence, reasonable grounds exist for belief that the person involved is disloyal to the government of the United States."

Membership in an organization is simply one piece of evidence which may or may not be helpful in arriving at a conclusion as to the action which is to be taken in a particular case.

The Government has a great stake in these loyalty proceedings. The Government, as the largest employer in the United States, must be the model of a fair employer. It must guarantee that the civil rights of all employees of the Government shall be protected properly and adequately. It is in this spirit that the loyalty program will be enforced.

THE FOREIGN SERVICE

Reorientation Seminars for Returned Foreign Service Personnel

[Released to the press November 4]

Inauguration of a program of monthly American reorientation seminars for Foreign Service personnel returning to the United States on transfer or home leave was announced on November 4 by the Foreign Service Institute, the Department of State’s in-service training organization.

The purpose of the seminars will be to brief employees who have been out of the country on latest developments in the United States, to give them a more accurate understanding of domestic American conditions. Economists, political observers, public-opinion analysts, and Army and Navy spokesmen will address groups in four two-hour meetings devoted respectively to American economic conditions and prospects, political and social trends in the United States, and American public opinion on foreign affairs. The first seminars were held on November 4 and 5. Other dates will be December 2 and 3, January 6 and 7, and each succeeding month on the first consecutive Tuesday and Wednesday.

The program is part of the Department’s overall effort to keep Foreign Service personnel in closer contact with American life. Other aspects of this effort are the more frequent home leaves now granted, more frequent assignments to Washington, and a program of planned tours of industrial plants, business houses, labor conventions, and so forth, for returning officers.

Department of State Bulletin
THE DEPARTMENT

Appointment of Officers

The Department of State announced on November 14 the appointment of Llewellyn E. Thompson as Deputy Director of the Office of European Affairs, effective on that date. Mr. Thompson was Chief of the Division of Eastern European Affairs.

This position has been created in view of the increasing pressure of political work in the Office of European Affairs and is in addition to the present position of Deputy Director of this Office held by Samuel Reber, whose appointment was announced September 21, 1947.

The Department also announced on November 14 the appointment of Theodore C. Achilles, until recently attached to the United States Delegation to the United Nations General Assembly, to be Chief of the Division of Western European Affairs, succeeding Mr. Reber.

Others appointed to offices in the Department include:

Frank Gardiner Wisner as Deputy Assistant Secretary of State for occupied areas, effective November 10, 1947.

Cecil B. Lyon as Special Assistant, Office of the Assistant Secretary for political affairs, effective October 19, 1947.

Sheldon T. Mills as Chief, Division of North and West Coast Affairs, effective October 19, 1947.

Howard H. Tewksbury as Chief, Division of River Plate Affairs, effective October 19, 1947.

Walworth Barbour as Chief, Division of Southern European Affairs, effective July 1, 1947.

Richard R. Ely as Chief, Division of Philippine Affairs, effective October 19, 1947.

John M. Allison as Chief, Division of Northeast Asian Affairs, effective October 6, 1947.
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**Contributors**

Ward P. Allen, author of the article on the Inter-American Treaty of Reciprocal Assistance, is a Specialist in the Division of International Organization Affairs, Office of Special Political Affairs, Department of State. Mr. Allen served as Technical Secretary on the U.S. Delegation to the Inter-American Conference for the Maintenance of Continental Peace and Security, which met at Petropolis, Brazil, from August 15 to September 2, 1947.
THE PROBLEMS OF EUROPEAN REVIVAL AND GERMAN AND AUSTRIAN PEACE SETTLEMENTS • Address by the Secretary of State

ANALYSIS OF GENERAL AGREEMENT ON TARIFFS AND TRADE:
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THE ATLANTIC CITY TELECOMMUNICATION CONFERENCES • Article by Francis Colt de Wolf

RELOCATION OF THE DEPARTMENT OF STATE • An Article

THE WORLD TALKS OVER ITS FOOD AND AGRICULTURE PROBLEMS • Article by N. E. Dodd

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The Department of State bulletin

Vol. XVII, No. 439 • Publication 2993

November 30, 1947

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
THE WORLD TALKS OVER ITS FOOD AND AGRICULTURE PROBLEMS

by N. E. Dodd
Chairman of U.S. Delegation

At its Geneva conference the Food and Agriculture Organization of the United Nations took important steps toward meeting both the current emergency problems of insufficient world food supply and the equally difficult longer-range problems of the world's most universal industry.

Like the two preceding sessions, the third session of the Conference of the Food and Agriculture Organization at Geneva, August 25 to September 11, was held during a period of persisting food scarcity arising out of the war and a succession of unfavorable crop years in much of the world.

Thus it was natural that discussion of the urgency of the current food situation, rather than the long-term agricultural improvement program which was envisioned at the founding of FAO, highlighted the Geneva Conference.

The Geneva Conference also was marked, however, by the first annual consultation, among principal officials of the 54 member nations, on the world food situation and on national agricultural programs. Such a consultation, aimed at integrating the diverse national programs so far as possible into a common attack on the immediate as well as long-term problems of hunger and of instability in prices and supplies, was one of the principal recommendations of the FAO Preparatory Commission on World Food Proposals.¹

Through the consultation, and also by setting up a council of FAO, consisting of 18 member governments, to keep the changing world food situation under constant review, the Conference moved to meet the world's food and agricultural problems.

The background of the story of the Conference's third session at Geneva includes not only the continuing food scarcity but also FAO's pioneering, during its two short years of life, into problems of organization, staffing, and relationships with other international organizations.

The first (Quebec) session of the Conference, at which the FAO constitution was adopted, was held in the fall of 1945, shortly after full victory over the Axis powers had been achieved. At that time it was expected that the United Nations Relief and Rehabilitation Administration would be able to accomplish the immediate postwar relief and rehabilitation task. The full effect upon food supply of the war's destruction and disorganization had not become apparent. It was true that the 1945 crops in densely populated areas of the world had fallen short because of a poor season, but the continuing unfavorable conditions of 1946 and 1947 could not have been foreseen.

By the spring of 1946 the world was more immediately concerned with food relief, especially in

¹ See report of U.S. Delegation to this Commission, Food and Agriculture Organization of the United Nations, Department of State publication 2828.
densely populated Europe and Asia, than in the long-term problems which were to be FAO's task.

To meet this situation FAO called the Washington Special Meeting on Urgent Food Problems in May 1946. As a result of this meeting the International Emergency Food Council was created. The Council's work was to survey needs and available supplies and to recommend international allocation of scarce food supplies and certain necessities of production, such as fertilizers. The Council has operated through a number of commodity committees of experts representing the various exporting and importing countries. After approval in the Council the committees' recommendations have been transmitted to the member nations for such action as they may be able to take. The process has assured a degree of equity in meeting the general scarcity situation. The IEFC was regarded throughout as a temporary emergency mechanism.

For this reason the special meeting requested Sir John Boyd Orr, the Director General of FAO, to work out longer-term plans looking toward maintenance of stable and adequate food supplies and fair and stable prices and to present these plans to the FAO member nations as early as possible.

The Director General thereupon prepared proposals for a World Food Board, summoned the FAO Conference to hold its second session at Copenhagen in September 1946—two months early—and laid the proposals before the Conference.

The Copenhagen Conference approved the objectives of these proposals, stating them as follows:

"a. developing and organizing production, distribution, and utilization of basic foods to provide diets on a health standard for the people of all countries.

"b. stabilizing agricultural prices at levels fair to producers and consumers alike."

An expert Preparatory Commission on World Food Proposals was created, consisting of 17 nations, to study the Director General's proposals and alternative proposals directed toward the same objectives and to develop more detailed plans for such international machinery as might be needed to achieve the objectives. This Commission met for three months in Washington, beginning in October 1946.

In its report the Commission emphasized that the objectives could not be attained by efforts limited to the agricultural field but only in an atmosphere of an expanding world economy. However, wide-spread application of advanced agricultural technologies would be an essential part of general development, and to this end FAO would need to accelerate its program and to cooperate closely with national and international efforts.

For the special problems of instability of supplies and prices of agricultural primary commodities, the Commission recommended the development of international commodity arrangements, applying in each case to a specific commodity situation in which wide-spread unemployment or burdensome surplus had developed or was expected to develop.

Such arrangements or agreements might deal with stocks, ranges of international prices, export shares in the world market, and especially with means to expand consumption, in such ways as to stabilize prices at fair levels. For at least certain food products, the arrangements might provide for special-price sales beyond export quotas in order to support emergency food programs or to help meet problems of chronic malnutrition in certain areas until general economic development could remove the underlying causes of malnutrition.

The charter for an International Trade Organization, which was at that time being drafted at London, contained provision for international commodity arrangements under these general conditions. The FAO Preparatory Commission recommended that the draft charter principles as to international commodity arrangements should be adopted by the member nations as a guide in connection with any such negotiations.

In order to coordinate action among various commodities in respect of which international commodity arrangements might be undertaken during the interval before the proposed International Trade Organization could be set up with its Commodity Commission, an interim Coordinating Committee on International Commodity Agreements was recommended. This has since been created under the United Nations Economic and Social Council and consists of a representative, nominated by FAO, for agricultural primary commodities; a representative for nonagricultural primary commodities; and a representative of the Iro Preparatory Committee.
Finally, the Commission concluded that if FAO is to play its proper part in such activities it would need a more flexible and continuous policy-forming body than its annual Conference sessions. Consideration was therefore given to the formation of an executive body consisting of national representatives. As a cross section of the FAO Conference, the executive body could act between Conference sessions to keep the world food and agricultural situation, and particular commodity problems, under review. Such a body also could shape up for policy-level discussions in the annual consultation the critical questions arising out of the changing world situation.

Shortly after the Commission made its report in January 1947, the United States proposed an amendment to the FAO constitution, substituting an executive body of 18 member nations (the Council of FAO) for the then existing Executive Committee. The Executive Committee of FAO consisted of 15 persons, serving in their individual capacities rather than as representatives of governments, and had no policy-forming functions.

The Conference

The Preparatory Commission’s report became the principal matter for the agenda of the third session of the Conference, which was called into session at Geneva on August 25, 1947, two months earlier than originally scheduled.

It was decided to begin at this Conference the holding of the annual review and consultation on the world food and agricultural outlook and national programs, which the Preparatory Commission had recommended.

In addition to the annual review, consideration of the Preparatory Commission’s report, and the proposals for constitutional amendment which resulted therefrom, there were other important items on the agenda. These included the question of a permanent seat for FAO, establishment of regional offices, the scale of contributions by member governments, examination of the programs of the FAO technical divisions and of consequential budget proposals, and the election of Executive Committee members. The last in this case became instead the election of members of the new Council of FAO. A director general also was expected to be chosen, since Sir John Boyd Orr expressed his wish to retire on completion of his two-year term. However, Sir John agreed to remain until a successor is chosen sometime in 1948.

Voting delegations representing 47 of the 54 FAO member nations attended, and two others had observers present. In addition observers represented six nonmember nations, the Holy See, 12 international nongovernmental organizations, and the Supreme Commander for the Allied Powers occupying Japan. Fourteen intergovernmental organizations, including the United Nations and six of its specialized agencies, were represented.

The Delegation of the United States was headed by Under Secretary of Agriculture Norris E. Dodd.

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It included members of Congress, representing the two major political parties and both the Senate and House Committees on Agriculture, and representatives of the major farm organizations, of organized consumers, of the forestry and fisheries industries, and of the Federal Departments of Agriculture, Commerce, Interior, Labor, and State. The advice and support of this group, which found itself unanimous on every significant issue, were invaluable throughout the Conference.

The Conference elected as chairman Dr. F. T. Wahlen of Switzerland, member of the State Council and professor at the Federal Polytechnic School, and as vice chairman, Dr. P. W. Tsou of China, Dr. P. R. Viljoen of South Africa, and Mahmoud Zaki Bey of Egypt.

"The task before us is a heavy one," said Dr. Wahlen in assuming his office. "With its economic life severely disrupted by war, the world urgently needs to reestablish itself on firm foundations. The FAO is one of the agencies which must play a leading role in bringing about this process, without which our entire civilization might well be overtaken by irreparable catastrophe."

The Conference set up three commissions, referring appropriate agenda items to them as follows:

Commission I, to conduct the annual review of the situation and consultation on national programs and to consider the policy chapters of the Preparatory Commission's report, under the chairmanship of Viscount Bruce, who had been chairman of the Preparatory Commission.

Commission II, to consider the activities of FAO's technical divisions, particularly with reference to budgetary provisions for projected work, under the chairmanship of P. J. DuToit of South Africa.

Commission III, to consider the proposed constitutional amendments and consequent changes in rules of procedure, general financial questions, and related administrative and relationship problems, under the chairmanship of S. Y. Krishnaswamy of India.

Conference Decisions and Recommendations

In brief summary the more important Conference actions were as follows:

1. Reviewing the world's food situation and finding it critical, with prospect of remaining so for at least several years, the Conference recommended that member nations should take immediate steps to insure more efficient collection, distribution, and utilization of food supplies. The Conference recommended that the system of allocating short supplies be maintained for the present and that the International Emergency Food Council's functions be continued by incorporating them into the Council of FAO in accordance with terms to be agreed upon. Changes were made in FAO's rules of procedure to authorize this. The Conference approved detailed arrangements suggested by a working party on fertilizers and farm machinery, looking toward provision of more adequate supplies of these requisites to increased food production.

2. The report of the Preparatory Commission on World Food Proposals was generally endorsed. As already outlined, this calls for national and international action toward expansion of production and trade; for an annual review in the FAO Conference of the world food and agricultural situation and of national programs; for international commodity arrangements in accord with the principles referred to in the resolution of the Economic and Social Council of March 28, 1947, and set out in the Preparatory Commission's report; and for FAO to take an active part in the study, and the promotion where required, of intergovernmental action in this field.

3. With respect to particular products, the Conference considered that a meeting at governmental level should be called as early as possible in south-east Asia to take up the question of implementing the recent Rice Study Group's recommendations looking toward a rice agreement. The Commission also endorsed the report of the Marianske-Lazne International Timber Conference concerning improvement of European timber supplies. Noting the beginning of a study on salted fish, the Conference recommended that such studies be extended to other fisheries commodities. In recommending that further commodity studies be undertaken, the Conference drew attention particularly to fats and oils and to fruit and horticultural products.

4. The proposals of the United States for amendment of the FAO constitution and rules of procedure were adopted with a few further amendments. The principal effect of the change is to replace the Executive Committee with an 18-
member-nation Council of FAO under an independent chairman chosen by the Conference. The Council's functions are those outlined in the report of the Preparatory Commission, plus authority to take over the task of making recommendations regarding the allocating of scarce foods and agricultural production supplies hitherto carried on by the International Emergency Food Council. The Council is to establish a coordinating committee on FAO's technical activities, consisting of the chairman of the Council and chairmen of the Council's Committee on Financial Control and of the various existing standing advisory committees. Viscount Bruce was chosen as independent Council chairman.

5. The Conference elected to Council membership the following governments, the length of term for each being decided by lot: Three years—Brazil, Canada, Chile, Italy, Union of South Africa, and United States of America; two years—China, Cuba, Czechoslovakia, Netherlands, Philippine Republic, and United Kingdom; one year—Australia, Denmark, Egypt, France, India, and Mexico. Hereafter, six nations are to be elected annually to three-year Council membership terms.

6. It is possible here to mention in only the briefest way the numerous recommendations of Commission II on the technical work of FAO, which are summarized as follows:

Agriculture

(1) That high priority be given to a study of technical and financial aspects of irrigation needs of various countries, especially of those less developed industrially, considering relationship with hydroelectric development and agricultural mechanization.

(2) That work aimed at stimulating fertilizer production be expanded and attention given in fertilizer studies to use of organic fertilizer derived from sewage.

(3) That recommendations of the special meeting (London, August 5 to 12, 1947) on losses in stored foodstuffs due to infestation be endorsed.

(4) That FAO formulate for government consideration an international agreement aimed at coordination of existing regulatory and quarantine legislation relating to plant health and encourage international cooperation to control plant parasites.

(5) That FAO disseminate information specifying the pests and diseases of specific crops for which new insecticides, fungicides, and weed killers should be used.

(6) That FAO study (possibly in cooperation with other agencies) methods of analyzing insecticides and fungicides, leading to international standardization of such methods, expressing values in uniform terms, so as to be of greatest practical service to users of these products and to insure truth in labeling.

(7) That particular interest be expressed in assistance to countries in development of advisory and extension services and international cooperation in training veterinary personnel.

Nutrition

(8) That member governments ask nutrition experts to consider the practicability of using standard procedures set forth in an FAO report, “Energy-Yielding Components of Food and Computation of Calorie Values”, in evaluating food-consumption data for international purposes and that FAO carry out further work in food composition as recommended by its Expert Committee on Nutrition.

(9) That school feeding, including milk distribution, should be pushed, even in countries short of food; that member countries assist FAO by supplying detailed information about their programs; and that member governments should support activities of the International Children's Emergency Fund.

(10) That FAO should work closely on nutritional matters with the ECNE, with the World Health Organization when established, and meantime with the WHO Interim Commission.

(11) That proposals be endorsed to convene a nutrition conference in the Far East, with special emphasis on rice.

(12) That a nutrition conference be convened in Latin America in 1948.

(13) That FAO should bring together regional groups to study regional nutrition problems.

(14) That national nutrition organizations or committees can be a useful source of information about nutritional situations in member countries upon which FAO should be informed.

(15) That the Standing Advisory Committee on Nutrition should study further a recommendation of the First Meeting of Experts on the Nutrition Problems in Europe (Rome, June 30–July 2, 1947)

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calling for appointment of trained nutritionists in the various countries to collect and transmit nutritional research data.

**Fisheries**

(16) That FAO’s plans to cooperate with member governments to develop uniformity and improvement of fisheries statistics be endorsed.

(17) That work begun on salted-fish-commodities studies should be extended to other fisheries commodities in need of similar attention.

(18) That the approach of working through special regional study groups, including nutritional exports, in advising on fisheries work planned in various regions be endorsed.

(19) That FAO initiate formation of regional councils for scientific exploration of the sea in parts of the world not now actively served by similar bodies, giving primary consideration to the Northwestern Atlantic, Southwestern Pacific and Indian Ocean, Mediterranean Sea and contiguous waters, Northeastern Pacific, Southeastern Pacific, Western South Atlantic and Eastern South Atlantic, and Indian Ocean.

(20) That, consulting member nations and considering nutritional factors, FAO assemble information and bring together committees to lay the foundation for an international code of quality standards for fisheries products.

**Forestry and Forestry Products**

(21) That a liaison office be established by FAO at Geneva to assist the Economic Committee for Europe with technical services as recommended by the Marianske-Lazne International Timber Conference.

(22) That arrangements be made for carrying out FAO’s work in European forestry in close cooperation with ECE and other U.N. bodies and specialized agencies.

(23) That within the FAO framework, representatives of European nations meet occasionally to exchange information on medium-range and long-range forestry problems.

(24) That FAO call a Latin American forestry and forest products conference as soon as possible.

(25) That FAO organize a forestry and forest products conference for southern and eastern Asia, if possible before the end of 1948.

(26) That FAO make arrangements with Finland (or with some other government, if Finland should be unable to accept the proposal) for the holding of a third world forestry congress in 1949.

(27) That after FAO forestry experts visit Mediterranean and Near East countries, beginning in Greece, the Director General should submit to the next Conference recommendations for a Mediterranean regional reforestation program.

(28) That all governments supply forestry and forest products statistical data necessary to compile and publish annual and quarterly figures on production, consumption, and trade.

(29) That a forestry expert be included in all general agricultural missions sent by FAO to various countries.

**Economics, Marketing, and Statistics**

(30) That member governments develop and improve their statistical services relating to food and agriculture so as to meet minimum needs in the FAO program, FAO assisting through development of standard procedures and otherwise, with progress to be reported at subsequent conferences.

(31) That, with the help of FAO, member governments establish production targets or firm production estimates as soon as possible, as a basis for organization of production and as a guide to intelligent international consultation, taking into account nutritional requirements, national and international market outlook, and conservation and efficient use of agricultural resources.

**World Census, 1950**

(32) That further technical consultations on the projected world census of agriculture in 1950 be held soon, so that governments may have the program in hand by the end of 1947, with special attention to be given to problems of areas having tribal or communal patterns of agriculture.

(33) That farm forests and forest industries be considered in connection with the census.

(34) That FAO make its facilities available to assist in developing programs for future fisheries censuses, including study of fisheries activities of agricultural workers.

**Rural Welfare**

(35) The Commission hoped that member governments would indicate the particular problems of rural welfare in which they are interested and supply information to FAO on recent rural welfare developments in their countries; that initial steps toward establishment of an FAO Rural Welfare Division be approved.

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7. The Conference approved several steps taken to establish or to improve working relationships with other international organizations, such as the United Nations, the International Children’s Emergency Fund, the International Labor Organization, and the World Health Organization.

8. In view of the strong interest by representatives of a number of countries in extending FAO’s program through the development of regional activities, the Director General was authorized to prepare plans for approval by the Council for regional offices in each principal region, and more especially in Latin America, Europe, Asia, and the Near (including Middle) East. In doing so the Director General is to consult with other international organizations, take advantage of any existing regional machinery, and keep in mind the budgetary implications of such an extension of FAO activities.

9. A budget of $5,000,000 for the calendar year 1948 was approved, and the present temporary scale of contributions by member governments continued for another year while the Council studies the problem of the scale. The United States contribution is now 25 percent of FAO’s budget. The act of Congress authorizing U.S. membership limits our contribution to $1,250,000 annually.

10. While declining to revoke its Quebec decision (adopted before New York was chosen by the United Nations) establishing the place of U. N. headquarters as the permanent seat of FAO, the Conference referred the question of permanent site to the Council for further study.

Some Conclusions

The developments of the Conference, and the lengthy discussions which took place there, point to these conclusions:

1. The continued growth of FAO to a present total of 54 member nations indicates that the organization has vitality and that the ideas it represents have appeal to the greater part of the world.

2. In the less developed countries there is deep determination to achieve economic development at a rapid rate. The development of agriculture, so as to produce more adequate and more secure food supply, is recognized as a most important part of general economic development in such countries.

To assist in such agricultural development, there is great need and desire for the help of technicians from the more advanced countries. The United States is widely regarded as a leader in this technological field and by sharing its agricultural know-how can realize an immense fund of goodwill.

3. In spite of vexing problems, there is among the FAO member nations an awareness of the need for and willingness to engage in economic cooperation for the revival of production, trade, and employment and the achievement of more stable economic conditions. The Copenhagen objectives of better diets for all and more fair and stable prices for producers and consumers of agricultural products have real meaning for the FAO member nations as objectives of policy.

4. The techniques of international conference and cooperation, in agriculture at least, are not yet fully worked out, as they need to be for most effective action. For instance the discussions during the first annual review of the world food situation and consultation on national programs indicated great need for improvement in the gathering and analysis of fundamental factual data necessary to solid results from such consultations. Nevertheless, a hopeful beginning was made, and in succeeding years more time to assemble the basic national reports and greater experience in dealing with the questions in such a discussion should make the annual review a most useful part of FAO’s machinery. The work of the new Council should also be extremely helpful in this respect.

5. Although great progress has been made in two years of pioneering into the field of world agricultural organization and cooperation, patience, good-will, and the earnest help of experienced leadership on the part of each member nation will be required to work out certain problems which yet remain. These problems, relating to finance, organization, regional activities, procedure, and coordination of activities with other United Nations organizations, are less important than FAO’s substantive work. Nevertheless, practical solutions must be found in order to permit FAO to work toward its real mission. Progress to date gives confidence in the hope that the requisite patience, good-will, and earnest effort will be forthcoming and that in FAO the world has an effective tool to bring about improved welfare for rural people and better food and health for all people.

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"The Future of the Free Nations of Europe Hangs in the Balance"

EXCERPTS FROM THE MESSAGE OF THE PRESIDENT TO THE CONGRESS

Mr. President, Mr. Speaker, Members of the 80th Congress:

The Congress has been convened to consider two problems of major concern to the citizens of the United States and to the peoples of the world. The future of the free nations of Europe hangs in the balance. The future of our own economy is in jeopardy. The action which you take will be written large in the history of this nation and of the world.

The Secretary of State and other representatives of the Executive Branch have appeared before committees of the Congress during the past week to present the facts regarding the necessity for immediate assistance by the United States to certain European countries. Austria, France, and Italy have nearly exhausted their financial resources. They must be helped if their peoples are to survive the coming winter and if their political and economic systems are not to disintegrate. Exceedingly bad weather has brought on crop failures and fuel shortages and has caused intense suffering. The food and fuel stocks of these countries are now near the vanishing point. Their peoples are in a dangerously weakened condition, due to years of short rations. Additional medical supplies and facilities are urgently necessary.

Austria needs 42 million dollars, Italy needs 227 million dollars, and France needs 328 million dollars to buy food, fuel, and other essential goods during the next four and one-half months. Detailed information has been presented to your committees concerning these needs and the purposes for which funds to be appropriated by the Congress would be spent.

Additional funds will also be required to maintain our position in occupied areas.

Emergency assistance by itself will not solve European problems. Emergency aid is no substitute for a long-range recovery program, but it is a vital prerequisite to such a program. If the western European nations should collapse this winter, as a result of our failure to bridge the gap between their resources and their needs, there would be no chance for them—or for us—to look forward to their economic recovery. The providing of interim aid will give us time to plan our part in an economic recovery program, and it will give the peoples of Europe the strength to hold out until such a program begins.

I shall shortly submit to the Congress my recommendations concerning the long-range European Recovery Program. This program is the result of the combined efforts of thoughtful men of two continents, whose concern has been the most effective manner in which 16 European nations, western Germany, and the United States can work together for European recovery, world prosperity and lasting peace.

It is a tribute to the strength of our democracy that we are able to make so great a contribution to the freedom and welfare of other nations and other peoples. This nation is strong both in material resources and in the spirit of its people. Our economic strength, born of our system of free institutions, has contributed to raising the standard of living the world over. Our moral strength, resulting from our faith in human rights, is the inspiration of free men everywhere.

I refer to the strength of this nation with

1 Given before the Congress of the United States on Nov. 17, 1947, and released to the press on the same date. For complete text of the message, see White House press release of Nov. 17, 1947.
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humility, for it is an awe-inspiring truth that the manner in which we exert our strength now, and in the future, will have a decisive effect on the course of civilization.

This is a truth whose significance grows with the experience of each passing day. The American people are becoming more and more deeply aware of their world position. They are learning that great responsibility goes with great power.

Our people know that our influence in the world gives us an opportunity—unmatched in history—to conduct ourselves in such a manner that men and women of all the world can move out of the shadows of fear and war into the light of freedom and peace.

We must make the most of that opportunity.

For we have learned, by the costly lesson of two world wars, that what happens beyond our shores determines how we live our own lives. We have learned that, if we want to live in freedom and security, we must work with all the world for freedom and security.

Human misery and chaos lead to strife and conquest.

Hunger and poverty tempt the strong to prey upon the weak.

Twice within this generation we have had to take up arms against nations whose leaders, misled by the hope of easy conquest, sought to dominate the world.

We are convinced that the best way to prevent future wars is to work for the independence and well-being of all nations. This conviction guides our present efforts and will guide our future decisions. We have participated fully and gladly in the growth of the United Nations, and we seek now to strengthen and improve it. We are assisting free nations who have sought our aid in maintaining their independence. We have contributed large sums to help rebuild countries devastated by the war. We have taken the lead in breaking down barriers to world trade.

In our efforts, however, to achieve the conditions of peace, we have encountered unforeseen and unwelcome obstacles.

We have found that not all nations seem to share our aims or approve our methods. We regret the differences which have arisen and the criticisms so loudly expressed. And yet we cannot afford, and we do not intend, to let current differences with some nations deter our efforts to cooperate in friendly fashion and to assist other nations who, like us, cherish freedom and seek to promote the peace and stability of the world.

The actions of this Government must be of a stature to match the dignity and influence of the United States in world affairs. The prompt provision by the Congress for interim aid will be convincing proof to all nations of our sincere determination to support the freedom-loving countries of western Europe in their endeavors to remain free and to become fully self-supporting once again.

If that action is followed by the enactment of the long-range European Recovery Program, this Congress will have written a noble page in world annals.

I have spoken of the economic and moral strength of the United States and of the way in which we must use that strength if we are to build a world community of free, strong, and independent nations.

The strength of the United States is not due to chance. It is due to the wise decisions and bold actions taken by free and courageous men throughout the history of our democracy.

The time is at hand for new decisions and new actions of equal wisdom.

If we neglect our economic ills at home, if we fail to halt the march of inflation, we may bring on a depression from which our economic system, as we know it, might not recover. And if we turn our backs on nations still struggling to recover from the agony of war, not yet able to stand on their own feet, we may lose for all time the chance to obtain a world where free peoples can live in enduring peace.

The freedom that we cherish in our own economy and the freedom that we enjoy in the world today are both at stake.

I have recommended interim aid for certain western European countries and a program to curb inflation in the United States. I regard the measures which I have presented to you as vital and essential to the welfare of the Nation.

When the American people have faced decisions of such magnitude in the past, they have taken the right course.

I am confident that the Congress, guided by the will of the people, will take the right course on this occasion.

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The Problems of European Revival and German and Austrian Peace Settlements

ADDRESS BY GEORGE C. MARSHALL

Secretary of State

The American people, I believe, have a sound understanding of the basic principles and objectives of our foreign policy. These have been expressed on many occasions by responsible officials of this Government, beginning with the President. They are understandable, I believe, to you all because they have their origin in the American conscience and in the deeply rooted traditions of our people. No American, I am sure, questions the desirability of this country promoting wherever it can the right of people to govern themselves and the rule of impartial laws as against the exercise of arbitrary power. These principles require no elaboration. But, true as they are, such generalities do not always serve to clarify for our people the current problems with which we are now faced. They do not in themselves answer the question, "What is it all about?" They do not in themselves provide an answer as to why at almost every turn we find ourselves in disagreement with another power with whom we were so recently allied in the common cause. I shall tonight confine myself to the problems relating to one area of the world which at the moment are occupying the attention of the Administration and the Congress and with which in another aspect I will be dealing at the meeting of the Council of Foreign Ministers which opens in London November 25. That is the related problem of the revival of the European community and the peace settlements with Germany and Austria. I shall try to avoid oversimplification on the one hand and bewildering detail on the other.

In my statement before the committees of Congress on November 10, I laid great stress on the entity known as Europe and its importance to the world and to the United States in particular. So important to the understanding of our present problem is the meaning of the European community that at the expense of repetition I will restate it. Europe, or what through centuries has been known as Europe, is a community of nations which despite racial and religious differences, commercial rivalries, and sporadic internecine wars has developed governmental procedures and an advanced civilization. We are a part of that civilization. Our national traditions—the foundation on which our entire civilization rests—find their counterpart, if not their origin, in some part of this European community.

Europe is a natural grouping of states designed by geography and history to function as a community if it is to function well. Because of the character of its people, the nations comprising the European community function harmoniously and effectively only if they are permitted to operate of their own free will. The logic of history would appear to dictate the necessity of this community drawing closer together not only for its own survival but for the stability, prosperity, and peace of the entire world.

Due to the Nazi attempt to subjugate the entire European community, Europe was plunged into a great war. The central question that arose at the end of this war was, in effect, what was to be the future of this European community. Was it to be restored to a position of stability so it could work out its own problem, or was it to be kept in a state of permanent dependency and eventual absorption into a system alien to its traditions and civilization?

It is generally recognized that the major re-
responsibility for finally crushing nazism devolved upon three powers, none of which can be strictly classed as a continental European state. The effects of two of these powers have been consistently directed, since the military victory, toward the restoration of the European community to its former status. They have been so directed partly out of compassion but primarily, I think, because they recognized the historical fact that a revived, revitalized Europe is necessary to a peaceful and prosperous world order.

For centuries Europe occupied a preeminent position and exercised a dominant influence in international affairs. Before the recent war it was one of the two highly industrialized areas on earth and enjoyed a correspondingly high standard of living. Today Europe is devastated and dispirited, but once it regains strength and confidence it will draw on its store of resources, energies, skills, and spiritual qualities and again make major contributions to world progress. This is the goal of those who are genuinely devoted to the cause of European recovery.

Unfortunately, it has become apparent that the third great power which contributed so much to the common victory evidently does not share that purpose. For reasons that are still obscure, it is endeavoring apparently to prolong the present unsatisfactory state of affairs indefinitely. If this purpose prevails, obviously the prosperous European community we knew before the war cannot be reestablished within the foreseeable future.

This brings me to an important conclusion. It is this divergence of purpose concerning the future of Europe which is the cause of many of the present differences between the United States and Soviet Russia. The divergence is not due to any direct clash between the national interests of these powers.

It is my belief that if Europe is restored as a solvent and vigorous community, this issue will have been decided, and the disturbing conflict between ourselves and the Soviets, in so far as Europe is concerned, will lessen.

It seems evident that, as regards European recovery, the enlightened self-interest of the United States coincides with the best interest of Europe itself and of all those who desire to see conflicts of whatever nature resolved so that the world can devote its full attention and energy to the progressive improvement of the well-being of mankind. The place to begin that process is Europe.

I have referred to the fact that Europe formerly stood as a strong and constructive element of the world's economy and political order. Its trade, both among the European countries themselves and with other regions, was a major factor in the international exchange of commodities and services and was a direct stimulus to productivity throughout the world. The stabilizing influence which Europe as a concert of independent nations exercised on the remainder of the world was a basic factor in assuring the security of our own nations—a fact which we acknowledged by twice committing our total resources to the preservation of the integrity of the continental community, free of single-power domination.

The near collapse of Europe has left weakness where once there was strength and has created in effect a political and economic vacuum. It is certainly not our purpose to exploit the situation by filling the vacuum with American power. The map of Europe today bears witness to our true intentions. West of the line where the Allied armies met, nations in their own way are grappling with their postwar problems, each in accordance with its distinctive institutions and traditions, free of external pressure. The proposal of the United States to assist in the recovery of the nations that responded to the suggestion of June 5 has no purpose other than to restore Europe as a self-supporting community of states and to terminate as speedily as possible dependence upon us for aid. It is unfortunate that only 16 European states felt free to participate in the Paris conference on economic cooperation. This Government is willing to cooperate with every nation that pledges a generous effort to the common cause of European recovery.

We are now intimately working to this end with governments of varied political complexions—some constitutional monarchies and some republics, both with Socialist ministers, some controlled by conservative elements, and some constituted of coalitions. This is a fact that everyone can see, and it should dispel completely the propagandistic assertions that we seek to impose the American pattern on others.

Much has been said about the various freedoms, about democracy, about the right of people and of nations to determine for themselves without re-

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straint the forms of government they desire. Much has also been said regarding the desire of the United States Government to influence other nations to follow what we believe we follow with constantly increasing success—that is a philosophy of government dedicated to the freedom and welfare of the individual. That is our earnest desire. It is certainly not imperialistic, and it does not indicate a passion for war.

We realize that we cannot expect the same conceptions to be held by all countries. Different races, different traditions, different histories and rates of development lead to different results, but on fundamentals I think we find a general agreement among peoples the world around.

If the United States entertained any idea of extending American influence or domination over Europe, our policy would not be directed toward ending European dependency upon this country but toward perpetuating that relationship. The clarity of the record and of our intentions, however, has not prevented Soviet officials and Communist groups elsewhere from waging with increasing venom a calculated campaign of vilification and distortion of American motives in foreign affairs. These opponents of recovery charge the United States with imperialist design, aggressive purposes, and finally with a desire to provoke a third world war.

I wish to state emphatically that there is no truth whatsoever in these charges, and I add that those who make them are fully aware of this fact.

What is the record? We have annexed no territory. We have not used the greatest military power and military resources ever assembled to acquire for the United States a special privileged position, either political or economic. Furthermore, since the close of hostilities the United States and Great Britain have voluntarily reduced the area of their sovereignty in the world. Colonial areas and dependent people have been assisted to achieve full independence. New countries have emerged from under the U. S. and British flags to take their place as members of the United Nations.

While the western democracies have been reducing the area of their sovereignty, one country has taken the opposite road. The Soviet Union has in effect considerably expanded her frontiers. Since 1939, she has de facto annexed territory comprising an area of more than 280,000 square miles, with a population of some 22 million people.

The American proposal for assistance to Europe is directed toward production, construction, and recovery. It is a genuinely cooperative undertaking, which is being worked out in an atmosphere of mutual trust and with careful regard for the sovereignty of nations. Indeed, this joint endeavor by the United States and 16 European states is a clear and convincing demonstration of cooperation freely given to achieve the common good. As such it perfectly reflects one of the basic precepts of democracy.

This Government recognizes that elements of uncertainty are involved in so vast and complex an undertaking. But we believe that the promise of success more than justifies the risks. We are completely convinced that the risks of not attempting to restore Europe are far greater than those involved in taking positive action as now proposed. We recognize that our people will be called upon to share their goods still in short supply and will have to forego filling a portion of their own requirements until the greater needs of Europe have been met. This is a direct contradiction of the allegation that we are seeking to dump surplus goods in Europe in order to avoid the depressing effects of over-supply. This particular charge of "dumping" must have a strange sound to those Europeans now desperately seeking the very essentials of life. And it must sound equally odd to Americans who are standing with money in hand impatient to buy goods which we are sending to Europe to meet a more urgent need. But such is the breath of propaganda.

I should like in this connection to make a few comments regarding propaganda in general and particularly with regard to the debates and procedure of the United Nations Assembly. It seems desirable to analyze the situation somewhat and clear up some of the issues prior to the meeting of the Foreign Ministers in London.

During the meeting of the United Nations Assembly there was a great deal said, with considerable vituperation, regarding the attitude of the Government and people of the United States toward the Soviet Union, along with the direct accusation that a war spirit was being fomented by our press and by distinguished citizens who were named. A portion of this, the major por-
tion I assume, was intended for pure propaganda purposes. But I also assume that there may have been some genuine feeling that the purposes of this Government and the attitude of most of the American press were definitely hostile to the Soviet Union. As a responsible official of the United States Government I would like to see more restraint than is sometimes exhibited in discussions of international issues.

But as regards the critical attitude recently manifested in this country toward the Soviet Union, I should like to distinguish between this effect and its cause. To determine that cause it is necessary to go back at least as far as the summer of 1945, immediately following the German surrender. At that time I think it was a fact that the people of the United States had as high a regard, or I might better put it, appreciation, for the Soviet people and their sacrifices, and for the Soviet Army and its leaders, as they held for any other people in the world. But today, only two years later, we are charged with a definite hostility toward the Soviet Union and its people, which constitutes a complete change in our attitude since the summer of 1945.

I recognize this effect. I would not characterize it as hostile. But the important question is, "What produced this tremendous change in our national feeling and attitude?" The truth as I see it is that from the termination of hostilities down to the present time the Soviet Government has consistently followed a course which was bound to arouse the resentment of our people.

Just what the purpose of this remarkable procedure has been, particularly during 1946, I have been at a loss to determine. So many of the actions of that Government were provocative without any evident purpose. I have endeavored to find at least a partial explanation in the historical characteristics of the Russian Government and its officials through a long period of years and not solely related to the present regime. While some light can thus be cast on the problem, it does not, even in a small way, explain why a government should proceed with apparent deliberation to destroy the invaluable asset of high regard and goodwill which it possessed in the attitude of the American people and why it should deliberately provoke such animosities as are evident at this time.

The people of this country are God-fearing people. They have been very patient in their attitude towards misrepresentation of their actions and motives when their only purpose has been to help the other fellow. Today our people have been virtually driven into a state of active resentment and, having been goaded to this point, they are accused of having lighted and stoked this great fire of public resentment. This last is propaganda, yes, of the most brazen and contemptuous character. But since it affects the very stability of the world, it is time to call a halt to such inflammatory practices.

I am not pessimistic regarding the progress made by the United Nations during the recent Assembly meeting. The fact that the world has a forum for free debate is in itself a hopeful portent for the future. The fact that debates have sometimes included more of vituperation or diatribe than of logic or adherence to the facts was unfortunate but in the long run, I think, merely incidental and an always present possibility in any democratic debate. The organization did pass through a serious struggle, but I think it emerged without loss of potential strength. The question now is, where do we go from here, which leads me to the coming Conference of Foreign Ministers in London.

The problem of restoring the European community inevitably raises in acute form the problem of Germany. The restoration of Europe involves the restoration of Germany. Without a revival of German production there can be no revival of Europe's economy. But we must be very careful to see that a revived Germany could not again threaten the European community.

I am not speaking of the revival of Germany in a military sense. There can be no question of the absolute necessity of keeping Germany disarmed and demilitarized. Today Germany is completely disarmed. Measures have been proposed by the United States and supported by the United Kingdom and France to insure the continued demilitarization of Germany for 40 years. Thus far the Soviet Union has, in effect, rejected that proposal by wholesale amendments of its purpose, but the offer still stands.

The revival of German militarism, however, is not the only important factor involved in the relationship of Germany to a restored Europe. There is an imperative necessity for safeguards to insure that the economic power of Germany shall not be used by a future German government.
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as a weapon for the furtherance of exclusively German policies. This poses admittedly a complicated and difficult problem. An attempt artificially to limit German peacetime economy could easily prevent the essential revival of German production to an extent that would render impossible the economic revival of Europe.

The answer to the problem would appear to relate primarily to the future role and functioning of the great industrial complex in the Ruhr. The United States believes that safeguards must be set up to insure that the resources and industrial potential of the Ruhr, particularly in respect of coal and steel, should not be left under the exclusive control of any future German government but should be used for the benefit of the European community as a whole.

The charge has frequently been made that the United States in its policy has sought to give priority to restoration of Germany ahead of those of the other countries of Europe. The truth is that far from having been accorded a preference over any Allied country, German recovery has lagged so far behind that of the other countries of Europe as to retard the whole effort for European recovery. At the present time industrial production in western Germany is less than one half that of prewar. The food supplies are seriously below the minimum requirement for health and efficiency, and German foreign trade is only a small fraction of its former dimension. In fairness to the American taxpayer who has been contributing hundreds of millions of dollars annually to support the people in the American zone, Germany must be made self-supporting as quickly as possible. With safeguards against any revival of German militarism and with measures to assure the utilization of the basic products of the Ruhr for the good of the European community as a whole, I believe that Europe and the world will be adequately protected against the danger of future German domination. In these circumstances it should be possible to proceed to the establishment of a provisional central authority in a federated German state and to the final framing of a peace settlement. We shall earnestly endeavor at the Conference in London to make progress along these lines.

Now I have tried to give you a picture of certain of our major international problems. These are not the only problems with which we are dealing. There are other areas of the world in which we face situations of immense complexity and gravity. But what I have told you this evening may give you a better idea of the character of our international problems as a whole and of our approach to them.

We are aware of the seriousness and extent of the campaign which is being directed against us as one of the bulwarks of Western civilization. We are not blind to any of the forms which this attack assumes. And we do not propose to stand by and watch the disintegration of the international community to which we belong.

But at the same time we are aware of our strength and of the fact that there is great need in many countries for our help and our friendship; we can afford to discount the alarms and excursions intended to distract us, and to proceed with calm determination along the path which our traditions have defined.

I will approach this Conference in London with an open mind and will seek only for a sound basis for agreement. I will seek to avoid statements for mere popular or propaganda effect, no matter what the provocation. It is my purpose to concentrate solely on finding an acceptable basis of agreement to terminate the present tragic stalemate and to speed the advent of a new era of peace and hope for Europe and the world.

Close Cooperation in Greece by American Mission and Embassy

[Released to the press November 21]

There have been a number of reports in the press to the effect that friction exists between the American Embassy in Athens and the American Mission for Aid to Greece. During the period immediately following the establishment of the American Mission for Aid to Greece a number of questions regarding the relationship of the two Missions arose. On the basis of frank exchange of views and experience these questions have been answered satisfactorily to all concerned. According to official reports received by the Department of State from both Missions they are now working in close cooperation. In a telegram dated November 14 Mr. Griswold stressed the fact that there "has been increasingly close cooperation between the Mission and the Embassy."
Mr. Chairman, Your Royal Highnesses, Honorable Delegates, members and guests of the Arab American Institute and of the Arab-speaking community:

I count it a very real and timely privilege, Mr. Chairman, to join with your Institute in honoring the distinguished members of the Arab countries’ delegations to the second General Assembly of the United Nations.

Although I myself have not had the good fortune to serve in “The Arab Island” I have, as all of us have, felt the impact of its culture on all people. During my years in Spain I had an opportunity to see tangible examples of that culture. I have visited the great Mosque at Cordoba, seen the silk factories which result from the introduction of the silkworm to Spain by the Moslems, and know that the wide-spread agricultural development of the southeastern plain is one of the Arabs’ lasting gifts to that peninsula.

I have read, over the collegiate portals in Moslem Spain: “The world is supported by four things only: the learning of the wise, the justice of the great, the prayers of the righteous, and the valor of the brave.”

I have come to know that the Arabs and we of the Western World have much in common. Our views of democracy and equality and those of the Arab are very similar.

To turn now to what may seem from earlier speeches to be the business of the evening: I have read, with care and with real interest, your Institute’s current Bulletin and the letter inviting General Marshall to be among your speakers tonight. You know he has left for London. As his substitute, I shall speak frankly.

Your invitation reaffirmed the Institute’s chartered purpose: “To promote Arab-American friendship and understanding”. It continues: “If Arab-American friendship needed cultivation in the past, it is more urgent in the present circumstances. We, as Americans, wish to redouble our efforts.”

That objective, Arab-American friendship, is likewise a fundamental objective of the American Government. And we in Washington, where American policies are formulated through the democratic process, would be the first to expect and approve a redoubling of effort on the part of all loyal American citizens of Arab background to achieve it, in these present or any circumstances.

What, in the words of the Institute’s Bulletin, are these present circumstances? First, you are urged to attend this dinner to honor the distinguished Arab Delegates to the United Nations Assembly. And you are exhorted “to stand up and be counted”.

For what particular cause are you asked so to stand? Your Bulletin answers: For the right of the Arabs of Palestine to “undisturbed possession of their country”. Consequently, the Bulletin argues, you should oppose the primary objective of political Zionism, namely, the establishment of an independent Jewish state in Palestine.

The argument then narrows to a conclusion. I paraphrase and perhaps oversimplify: As partition of Palestine would, if achieved, result in the establishment of such a state, you should oppose partition.

In the few minutes at my disposal, I do not propose to review the history of the Palestine problem or the deplorable state to which a land equally holy

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1 Address delivered before a meeting of the Arab American Institute in New York, N.Y., on Nov. 20, 1947, and released to the press on the same date.

[1029]
THE UNITED NATIONS AND SPECIALIZED AGENCIES

to Moslem, Christian, and Jew has been brought by
the interplay of opposing political and social
forces.

It would, in fact, be improper for me to do so;
for that problem is now properly \textit{sub judice} before
the bar of world opinion democratically personi-
fied in the membership of the United Nations
Assembly.

I can, however, tell you what the American Gov-
ernment's studied opinion is. It is that this prob-
lem is international, in law and in fact, and that
the settlement of it must be found on the inter-
national plane, by the United Nations, in accord-
ance with the principles and procedures of the San
Francisco Charter.

The American Government believes that a just
and workable settlement can be found by that
organization. The basic principles and objectives
of its Charter and of American foreign policy are
the same.

Now let me, in turn, as did your \textit{Bulletin}, narrow
my remarks to partition. The majority of the
11 members of the United Nations special com-
mittee which reviewed the entire problem last
summer took the position that the United Nations
could find, within the framework of the concept of
partition, a just and workable settlement.\footnote{\textit{Bulletin} of Sept. 21, 1947, p. 546. See also \textit{Bulletin}
of Oct. 19, 1947, p. 761.} To the
careful studies and report of the committee, the
United States, in Secretary Marshall's words, lends
"great weight". Consequently, during the cur-
rent discussions at Lake Success, we have been
endeavoring to contribute to the elaboration of the
details of a just and workable plan of partition.

It is now for the Assembly, sitting in plenary
session, to decide whether the American and other
like-minded delegations have succeeded in their
endeavor. We are not infallible. There are
strong opposing views. You have heard much of
their essence from other speakers tonight.

This, however, seems common ground, namely,
that the problem is before its proper forum.
Further, if the view of those governments which
believe that partition is just and workable should
be sustained by resolution of the Assembly, a no-
table contribution to the solution of one of our most
thorny problems will have been made. On the
other hand, if the General Assembly does not rec-
ommend a partition plan, we shall, of course, ac-
cept its decision and continue our support of the
principles and processes of that forum.

In any event, we confidently believe, the United
Nations may continue to count on the sincere good
counsel and helpful cooperation of all its members.

Those in Washington who have to do with the
formulation of American foreign policy would
count it a tragic, even disastrous, loss were the
foundations of Arab-American friendship to be
affected as a result of divergency of views thus far
advanced on this immensely moving problem of the
future of our common Holy Land. And I am sure
you loyal Americans of Arab background share
this view.

I cannot emphasize too strongly that the position
which the Government of the United States has
taken with regard to Palestine does not indicate
lack of friendship or consideration for the Arab
world. That position was taken after careful con-
SIDERATION of all sides of the question, with par-
ticular reference to the report and recommenda-
tions of the United Nations Special Committee on
Palestine.

The foundations of Arab-American friendship
to which I referred have been well laid during
the course of more than a century, by Arabs as well
as by Americans. In this modern world, where
economic and cultural exchange is a new password
to sound international relationships, those founda-
tions are a priceless legacy.

Surely on that legacy we can, through joint en-
deavor, build a great structure of achievement to
our common benefit. I sometimes feel that destiny
has called upon us to do so. America has lost
neither the spirit nor the constructive urge of its
pioneering beginnings. The Arab world, stirred
by the vital force of enlightened nationalisms, has
already passed the threshold of a new renaissance.

There is much to be done in the economic and
social fields as well as on the plane of international
politics, to realize the bright visions of that renais-
sance. No country more than the United States
has welcomed the Arab states to full and equal
membership in the family of nations. We stand,
now as in the past, ready to cooperate with those
states in realizing the great projects so ably con-
ceived by the leaders of their renaissance.

Joint cooperation will result in mutual under-
standing. Therein our common goal will be
attained.

Department of State Bulletin
The Problem of the Independence of Korea

I.

INASMUCH AS the Korean question which is before the General Assembly is primarily a matter for the Korean people itself and concerns its freedom and independence; and

RECOGNIZING that this question cannot be correctly and fairly resolved without the participation of representatives of the indigenous population:

The General Assembly,

1. Resolves that elected representatives of the Korean people be invited to take part in the consideration of the question;

2. Further resolves that in order to facilitate and expedite such participation and to observe that the Korean representatives are in fact duly elected by the Korean people and not mere appointees from military authorities in Korea, there be forthwith established a United Nations Temporary Commission on Korea, to be present in Korea, with right to travel, observe and consult throughout Korea.

II.

The General Assembly

RECOGNIZING the urgent and rightful claims to independence of the people of Korea;

BELIEVING that the national independence of Korea should be re-established and all occupying forces then withdrawn at the earliest practicable date;

RECALLING its previous conclusion that the freedom and independence of the Korean people cannot be correctly or fairly resolved without the participation of representatives of the Korean people, and its decision to establish a United Nations Temporary Commission on Korea (hereinafter called the "Commission") for the purpose of facilitating and expediting such participation by elected representatives of the Korean people:

1. Decides that the Commission shall consist of representatives of Australia, Canada, China, El Salvador, France, India, Philippines, Syria, Ukrainian Soviet Socialist Republic;

2. Recommends that the elections be held not later than 31 March 1948 on the basis of adult suffrage and by secret ballot to choose representatives with whom the Commission may consult regarding the prompt attainment of the freedom and independence of the Korean people and which representatives, constituting a National Assembly, may establish a National Government of Korea. The number of representatives from each voting area or zone should be proportionate to the population and the elections should be under the observation of the Commission;

3. Further recommends that as soon as possible after the election, the National Assembly should convene and form a National Government and notify the Commission of its formation;

4. Further recommends that immediately upon the establishment of a National Government, that Government should, in consultation with the Commission (a) constitute its own national security forces and dissolve all military or semi-military formations not included therein; (b) take over the functions of government from the military commands and civilian authorities of north and south Korea; and (c) arrange with the occupying Powers for the complete withdrawal from Korea of their armed forces as early as practicable and if possible within ninety days;

5. Resolves that the Commission shall facilitate and expedite the fulfilment of the foregoing programme for the attainment of the national independence of Korea and withdrawal of occupying forces, taking into account its observations and consultations in Korea. The Commission shall report, with its conclusions, to the General Assembly and may consult with the Interim Committee (if one be established) with respect to the application of this resolution in the light of developments;

6. Calls upon the Member States concerned to afford every assistance and facility to the Commission in the fulfilment of its responsibilities;

November 30, 1947

1 N.U. doc. A/447, Nov. 6, 1947. Resolution adopted by the First Committee (Political and Security) of the General Assembly on Nov. 5, 1947, and reported to the General Assembly. The resolution was adopted at the 112th Plenary Meeting of the General Assembly on Nov. 14, 1947, by a vote of 43 to none, with six abstentions.
7. Calls upon all Members of the United Nations to refrain from interfering in the affairs of the Korean people during the interim period preparatory to the establishment of Korean independence, except in pursuance of the decisions of the General Assembly; and thereafter, to refrain completely from any and all acts derogatory to the independence and sovereignty of Korea.

**Current United Nations Documents: A Selected Bibliography**

**General Assembly**

**Provisional Staff Regulations.** A/435, October 30, 1947. 21 pp. mimeo.


1 Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.
From May 15 to October 2, 1947, there were held in Atlantic City three separate, but related, world telecommunication conferences. The first was the International Radio Conference which began on May 15 and had for its purpose the revision of the international radio regulations which had been previously revised at the Cairo Radio Conference in 1938. The second, the International Telecommunication Conference, began on July 1 for the purpose of revising the international telecommunication convention signed at Madrid in 1932. The third, the International High Frequency Broadcasting Conference, began on August 26 and was a preparatory conference making preliminary studies on the allocation of frequencies to short-wave broadcasting and the possible establishment of a short-wave broadcasting organization.

The conferences were held under the auspices of the International Telecommunication Union, the oldest international governmental organization in existence, having its foundation in the old International Telegraph Union which was organized at Paris in 1865. Practically all of the 78 member countries were represented at the conferences. The United States served as the host government. The chairman of the three conferences was Charles R. Denny, who until recently was chairman of the Federal Communications Commission. The vice chairman was Francis Colt de Wolf, Chief of the Telecommunications Division of the Department of State.

The basic objective of the conferences was the achievement of international agreement on the rules for an orderly and efficient operation of international communications. The conferees worked for 20 weeks, often on matters in which national interests differed widely. However, the prevailing spirit of cooperation and compromise was such that on October 2 every nation represented at the conferences signed the convention and the radio regulations annexed thereto. This accomplishment is one of which all the governments, and the United States particularly, as the host government, may be proud.

In addition to the convention and the radio regulations, four other documents were submitted for signature, namely, the final protocol, the additional protocols, the additional radio regulations, and the protocol concerning European broadcasting. The United States did not sign the two last-named documents.

The results of the Radio Conference are embodied in the radio regulations and may be summarized as follows:

First, a world-wide frequency-allocation table extending up to 10,500,000 kilocycles was adopted. The Cairo conference of 1938 produced an international frequency-allocation table extending only to 30,000 kilocycles. Many present-day services employ frequencies in the upper portion of the radio spectrum which at the time of the Cairo conference were not even charted. In addition to the new allocation table, the radio regulations fill a volume of 391 pages of small print. These regulations cover every phase of international radio communications, including technical standards, operating practices, procedures relating to safety and distress both in the air and on the seas, and a myriad of other subjects.

Secondly, a permanent board of 11 experts, the International Frequency Registration Board, known as the Iran, was constituted. The desirability of such a Board became apparent from a recognition of the need for strengthening the international administration of frequency assignments. The concept of the Board was initially formulated by the United States and received pre-
LIMINARY CONSIDERATION at the Moscow Telecommunication Conference. Heretofore, each country had assigned its own frequencies and had simply notified the headquarters of the International Telecommunication Union of its action. These assignments were entered on a master list without regard to the possibility of interference to other services or to other countries. The basic plan adopted at the Atlantic City Radio Conference provides that the IFRB will examine each frequency assignment notified to it in order to determine whether or not such assignment is in full conformance with the radio regulations. In general, assignments which conform to the regulations and do not involve the probability of harmful interference to other radio stations will be entered in the registration column of the new international frequency list. Such assignments will have the right to protection from harmful interference. Assignments which fail to meet these criteria, but which countries insist on using notwithstanding, will be entered in the notification column of the list, which will not confer upon them any international recognition of the right to protection from interference.

Thirdly, the Provisional Frequency Board, known as the PFB, was constituted for the purpose of putting the new allocation table into effect. This Board will be composed of the 11 members of the IFRB referred to above, plus national members from any countries wishing to be represented on the PFB. It is expected that the PFB, which will convene in Geneva on January 15, 1948, will meet for a period of about two years to prepare an entirely new international frequency list for use in the future by the IFRB. In order to prepare this list, it will be necessary for the PFB to re-engineer all radio operating assignments throughout the world and place them on a sound engineering basis. This system will conserve valuable spectrum space and eliminate interference.

The Telecommunication Conference revised the Madrid convention and made far-reaching changes in the constitution and structure of the Union, bringing it into line with similar organizations, notably CAO. Incidentally, telecommunications, a term which was first used at the Madrid conference, is defined as follows in the Atlantic City convention: "Any transmission, emission or reception of signs, signals, writing, images and sounds or intelligence of any nature by wire, radio, visual or electromagnetic systems". The structure of the International Telecommunication Union, as it was established at Madrid, consisted of the following organizations:

1. Plenipotentiary conferences which meet only when the convention which embodies the fundamental statutes of the Union is under revision.
2. International telegraph, telephone, and radio administrative conferences which review the regulations.
3. International consultative committees: the Telegraph Committee (CCir), the Radio Committee (CCm), and the Telephone Committee (CCf). These consultative committees deal mainly with technical questions and except for the CCf have only advisory powers.
4. A bureau or permanent secretariat, which is called the Bureau of the International Telecommunication Union, has its seat in Bern and is under the aegis of the Swiss Government.

The foregoing structure was revised as follows at the Atlantic City conference:
1. An element of continuity was introduced by the concept of the plenipotentiary conference as the supreme organ of the Union. This conference is to meet every five years and will have the ultimate responsibility for all the affairs of the Union.
2. It was agreed that administrative conferences to revise the radio regulations and the telegraph and telephone regulations would also meet every five years at the same time and place as the plenipotentiary conference.
3. Prior to the Atlantic City conference the international consultative committees of the Union, established at the Madrid conference and referred to above, were not permanent. Under the new convention, these committees have been constituted as permanent organs of the Union. Each will have a specialized secretariat attached to the general secretariat, as well as a permanent official known as a director. In addition, in the case of the CCm, provision has been made for a vice director specializing in broadcasting.
4. The existing Bureau of the International Telecommunication Union was reorganized and enlarged and is to become the general secretariat with increased responsibilities.

(Continued on page 1040)
The political and economic conditions throughout the world following World War II created an unusual growth in the functions and personnel of the Department of State. This growth caused a serious housing problem in the Department, and it became apparent that headquarters should be concentrated. This decision resulted in a complete change in the physical set-up of the Old Department of State Building located at 17th Street and Pennsylvania Avenue, NW., one of the oldest Government buildings in the United States Capital, where for more than half a century American diplomatic history had been written. This structure, completed in 1888 after 17 years of construction, originally housed the State, War, and Navy Departments. The Navy Department completed its removal to a separate building after the termination of World War I, and the last segments of the War Department (with the exception of the offices of the General of the Armies of the United States) moved to other quarters in 1938.

With the outbreak of World War II and the rapid increase in personnel, the State Department began to face the problem of inadequate space. In 1941 the Department had increased to 1,600 employees; its activities had outgrown the main building; and its offices were scattered in several buildings, wherever available space could be found.

This growth continued rather steadily during November 30, 1947.
the following years until early in 1945, when Departmental personnel totaled approximately 3,600. With the cessation of hostilities, several agencies were transferred to the State Department, increasing the personnel in the latter part of 1945 to approximately 7,200 people, who were housed in 47 buildings scattered throughout the Washington area. Consequently the Department was faced with the disunity and inefficiency that such a situation is bound to promote. This condition of decentralization continued until about May 1946 when, through consolidation of certain organization units and reduction in personnel, the number of office buildings was reduced to 29.

Early in 1946 the President proposed a plan for the consolidation of the Department of State in and around the New War Building at 21st Street and Virginia Avenue NW. This building and its satellites would concentrate about 60 percent of the Department within a radius of one block. Eventually the entire Department would be accommodated under one roof if proposed plans for the enlargement of the building were put into effect.

The space plan was developed by the Public Buildings Administration and White House aides; the Department space-planning staff was ready for execution of the plan by the end of June 1946. A move of this size, needless to say, caused considerable debate within the Department and met with delays. It was finally begun, however, in November 1946, when the first block of 80,000 square feet in the “New War” area was allocated to the Department of State.

On January 22, 1947, the first unit of the Depart-
ment was moved into the New State Building (formerly New War Building). During the following three months the building was gradually vacated by units of the War Department and other agencies and as the necessary alterations for a move of this size were completed, other units were moved into the new quarters. The moving operations continued from January until the first part of August, when the Department’s Telegraph Branch was moved from the Old State Building.

The one remaining unit to be moved is the Department’s telephone switchboard. The present 17 attendant positions will be increased to 28 in the new building, with associated switchframe and power equipment for 4,000 dial lines. It is expected that the cut-over from the Old State to the New State Building will be made some time after January 1, 1948. In all approximately 3,900 people and some 22,000 pieces of equipment were moved.

As a result of a further consolidation of space following the major move, the Department was able to reduce the number of buildings to 21 in September 1947. The plan for the present grouping of the Department’s housing facilities is shown in the accompanying chart.

The present New State Building is the first unit of a structure which will occupy the area bounded by 21st and 23d Streets and C and E Streets, NW. It is believed that the Department will be housed under one roof when the planned construction has been completed. This ultimate objective is depicted on the following page. The shaded portion represents the proposed extension.

November 30, 1947
ULTIMATE OBJECTIVE FOR HOUSING THE DEPARTMENT OF STATE

The present location of the units moved is shown below:

New State Building—320 21st St., NW.
  Secretary
  Under Secretaries
  Assistant Secretaries
  Counselor
  Legal Adviser

Geographic offices and their Divisions

Office of Special Political Affairs
Related service functions

State Annexes 2, 3, and 4—23d St. between C and D Sts., NW.
Office of the Foreign Service and its Divisions
State Annex 5—2145 C St., NW.
Divisions of the Office of Special Political Affairs
Office of Public Affairs and its Divisions
State Annex 6—2115 C St., NW.
Foreign Service Institute
State Annex 7—21st and C Sts., NW.
Office of Departmental Administration
Division of Central Services
515 22d Street Building
Office of Controls and its Divisions

Old State Building—17th St. and Pennsylvania Ave., NW.
Office of International Trade Policy and its Divisions
Office of Financial and Development Policy and its Divisions
Office of Economic Security Controls and its Divisions

The units not involved in the major move are as follows:

Old State Building—17th St. and Pennsylvania Ave., NW.
Library of the Department
Telephone switchboard

State Annex 1—4012 23d St., NW.
Office of Intelligence Research and its Divisions
Office of Intelligence Collection and Dissemination and its Divisions
Walker-Johnson Building—1734 New York Ave., NW.
Division of Departmental Personnel
Division of Language Services
Winder Building—604 17th St., NW.
Passport Division

1778 Pennsylvania Avenue Building
Office of Information and Educational Exchange
Division of International Conferences
UNESCO Relations Staff

501 17th Street Building
Office of Budget and Planning
Division of Finance
Metropolitan Club Annex—1712 H St., NW.
Division of Foreign Building Operations
Washington Auditorium—19th and E Sts., NW.
Division of Map Intelligence
Temporary R Building—Jefferson Drive and 3d St., SW.
Office of Foreign Liquidation and its Divisions

Central Public Library—499 Pennsylvania Ave., NW.
Institute of Inter-American Affairs
Inter-American Educational Foundation Inc.
Former Japanese Embassy—2510 Massachusetts Ave., NW.
Far Eastern Commission

Commerce Building—14th St. between Pennsylvania and Constitution Aves.
International Boundary Commission, United States, Alaska, and Canada

Washington Loan and Trust Building—9th and F Sts., NW.
International Joint Commission
ACTIVITIES AND DEVELOPMENTS

Telecommunication Conferences—Continued from page 1034

In addition to these revisions, the following new provisions were incorporated:

1. The Conference approved the creation of an administrative council, composed of 18 of the Union's 78 members. The council will meet at least once a year at Geneva and will in general be responsible for the management of the affairs of the Union. This provides for a continuity of functions between conferences and will enable the Union to consider problems of policy without postponement. The Conference elected five vice chairmen for the council, namely, the representatives of the United States, the United Kingdom, the Union of Soviet Socialist Republics, France, and China. By unanimous vote the representative of the Union of Soviet Socialist Republics was chosen as chairman of the Council for the first year of its existence.

2. Heretofore, the seat of the Union had been at Bern inasmuch as the Union was placed under the general direction of the Swiss Government. The Telecommunication Conference decided to move the seat from Bern to Geneva.

3. From now on the Union will govern itself through its own administrative council. However, the Swiss Government has agreed to continue the existing practice of advancing funds to the Union and will in turn be reimbursed by the Union.

4. Up to the time of the Atlantic City conferences, French had served as the official language of the Union. Under the terms of the new convention, Chinese, English, French, Russian, and Spanish will be the official languages of the Union and the final documents of all conferences will be drawn up in these five languages. This procedure is similar to that adopted by the United Nations.

5. At Atlantic City the work of the conferences was greatly simplified through the use of a system of simultaneous interpretation such as was already being used by the United Nations. At the Atlantic City conferences, for the first time, portable radio receivers were used rather than fixed telephone installations. The use of radios, of course, had the advantage of permitting delegates to move about the room where the meeting was held or even in the corridors outside and still follow the proceedings. Under the system set up by the secretariat of the Atlantic City conferences, arrangements were made for the use of three radio channels, one for French, one for English, and one for Spanish, so that any speeches in any one of these languages could be instantaneously translated into the other two. In addition, provision was made so that speeches in the Russian language could also be immediately translated into the other three languages, although no speeches were translated into Russian.

It had been hoped that the International High Frequency Broadcasting Conference could function as a full conference, but after the Radio and Telecommunication Conferences had begun their work, it was obvious that there would be insufficient time to hold a third full conference. The High Frequency Broadcasting Conference, therefore, limited itself to preliminary studies of the allocation of frequencies for short-wave broadcasting. It was recommended that at the full conference to be held in Mexico City in 1948 consideration be given to a special broadcasting organization within the framework of the International Telecommunication Union.

The Telecommunication Conference decided to enter into relationship with the United Nations, and an agreement was concluded between the two organizations, the text of which is annexed to the Atlantic City convention. In general, this agreement follows the pattern of similar agreements entered into between the United Nations and the so-called "specialized agencies", of which the International Telecommunication Union is now one.

All the questions discussed at Atlantic City were by no means of a technical nature, and much time was spent at the conferences, especially in the Telecommunication Conference, on questions which were primarily political. This was notably the case with regard to the desire of the Union of Soviet Socialist Republics to have the three Baltic Soviet Republics, namely, Latvia, Lithuania, and Estonia, attend the conferences as separate members of the Union. All three conferences refused to permit such participation. Then there was the effort of the Union of Soviet Socialist Republics to have the People's Republic of Mongolia participate in the conferences as well as be confirmed as a member of the Union. In this case, Mongolia was permitted to participate in the Radio Conference and
the High Frequency Broadcasting Conference, but not in the Telecommunication Conference. A delegation from the People's Republic of Mongolia actively attended the two conferences to which they were permitted access.

Another question which involved political considerations was that of membership in the Union. Heretofore, members of the Union had included fully sovereign states as well as colonial telecommunication administrations. This was notably the case with the colonies of Belgium, France, the Netherlands, and Portugal. The United States in its proposals has sought to clarify the membership of the Union by placing it on a sound foundation of recognized sovereign states which would be capable of assuming complete responsibility, not only for themselves but for all their territories. This whole subject gave rise to extended and sometimes quite bitter discussions, for the four colonial powers mentioned above opposed the proposals for the elimination of full membership of colonies. The Soviet Delegation suggested a compromise whereby the present status of existing members in the Union would be maintained, but in the future only sovereign countries could be full-fledged members of the Union.

In view of the strong feeling evinced during the discussions on colonial membership, the United States Delegation came to the conclusion that it would be wiser to maintain the status quo. The Conference finally decided to maintain the present membership of the Union, listing all present members in annex 1 to the convention and providing in the convention that all countries appearing in this annex, including colonies and groups of colo-

nies, would be eligible to full membership in the Union. It was provided that each member of the Union should have one vote. Under this scheme, the whole of the territories of the United Kingdom and of the United States will each enjoy a separate membership in the Union and a separate vote in the conferences of the Union.

In view of the resolution of the General Assembly of the United Nations of December 12, 1946, concerning the nonparticipation of Spain in international conferences called under the aegis of the United Nations or by specialized agencies, Spain had not been invited to the Atlantic City conferences. Efforts were made by certain countries during the course of the three conferences to have Spain permitted to participate in the conferences, but to no avail. The Telecommunication Conference, however, did discuss the future relationship of Spain to the Union and decided unanimously that Spain could again assume her membership when the resolution of December 12, 1946, of the General Assembly of the United Nations ceased to be applicable.

Notwithstanding the bitterness of the discussions on some of the political questions referred to above, the general spirit of the conferences was one of friendliness and of a desire to reach compromises. It is therefore gratifying to note that both the convention and the radio regulations were signed by all the participants in the conferences and that the international regulation of telecommunications is assured for the immediate future, namely, until the next set of international telecommunication conferences, which are scheduled to take place in Buenos Aires in 1952.

Invitations Extended to 4th International Congresses on Tropical Medicine and Malaria

The United States Government has extended invitations to over 60 nations to send delegations to the Fourth International Congresses on Tropical Medicine and Malaria, the Department of State announced on November 20. The Congresses, to be held in Washington, May 10–18, 1948, will mark the second occasion on which the organizations have held their meetings jointly and the first on which either one has met in the Western Hemisphere.
Introduction

The Secretary-General of the United Nations, Trygve Lie, made public today the text of the General Agreement on Tariffs and Trade, concluded by the United States and 22 other countries at Geneva, Switzerland, on October 30.

The General Agreement is the most comprehensive international instrument ever negotiated for the reduction of barriers to world trade, having regard both to the scope of its provisions and to the volume of trade which they affect. The provisions of the agreement extend to trade barriers and trade controls of all kinds, including tariffs, preferences, quotas, internal controls, customs regulations, state trading, and subsidies. The 23 countries participating in the negotiations were Australia, the Belgium–Netherlands–Luxembourg Customs Union, Brazil, Burma, Canada, Ceylon, Chile, China, Cuba, Czechoslovakia, France, India, the Customs Union of Lebanon and Syria, New Zealand, Norway, Pakistan, Southern Rhodesia, the Union of South Africa, the United Kingdom, and the United States. These countries accounted in 1938 for approximately three quarters of the international trade of the whole world.

The agreement consists of (1) schedules of tariff concessions and (2) general provisions dealing, among other things, with barriers to trade other than tariffs. Each country applying the agreement undertakes to grant to the other parties to the agreement the reductions or bindings of tariff treatment specified in the schedules of tariff concessions, and to observe the rules laid down in the general provisions in its commercial relations with them.

The schedules of tariff concessions apply to products accounting for approximately two thirds of the import trade of the negotiating countries and for substantially half of total world imports. The concessions include the complete elimination of certain duties, reductions of duty, the binding of duties at existing levels, and the binding of duty-free treatment.

Tariff preferences affecting a significant part of United States trade with countries in the British Commonwealth have been substantially reduced,
and preferences on a considerable list of products which the United States exports to the various countries of the Commonwealth have been eliminated entirely. Under the terms of the agreement no new preference may be created and no existing preference may be increased, whether or not on products listed in the schedules of the agreement.

All concessions made by the United States were formulated within the limits and according to the procedures specified by the Trade Agreement Act and Executive Order 9832 of February 25, 1947. As required by the Executive order, the General Agreement provides that if, through unforeseen developments, a particular tariff reduction should increase imports so sharply as to cause or threaten serious injury to domestic producers, the country granting the concession may withdraw or modify it in whole or in part. If the concession is in fact modified or withdrawn, other interested countries may then withdraw or modify substantially equivalent concessions.

The General Agreement will replace the reciprocal trade agreements which the United States already has with a number of the negotiating countries, namely, Belgium–Luxembourg, Canada, Cuba, France, the Netherlands, and the United Kingdom. Supplementary bilateral agreements have therefore been concluded with these countries, making the existing trade agreements inoperative for such time as the United States and the other country concerned are both parties to the General Agreement.

The negotiations with respect to tariff concessions were conducted on a selective, product-by-product basis, the concession granted by any country on a particular product being negotiated initially in discussions with the country which was a principal supplier of that product.

Under the terms of the agreement, each party to the agreement will be contractually entitled, in its own right and independently of the most-favored-nation clause, to enjoy each of the concessions in the schedules of the other negotiating countries. This multilateral application of the schedules, as compared with separate bilateral tariff agreements, enables countries to obtain concessions on products of interest to them which they could not have obtained under bilateral agreements, because they could not claim to be one of the main suppliers of the product concerned. Appropriate provision is made in the agreement permitting the nonapplication of particular tariff concessions in the event that the country which stands to benefit from them most fails to apply the agreement or withdraws from the agreement.

The general provisions of the agreement, incorporating basic rules with regard to nondiscrimination, internal charges and restrictions, quotas and exchange controls, and other measures, are not limited to scheduled items but cover the whole of the trade between the parties to the agreement. These provisions establish for the first time a generally accepted international code of fair treatment in commercial relations.

The agreement and its schedules of tariff concessions will be put into effect provisionally on January 1, 1948, by Australia, the Belgium–Netherlands–Luxembourg Customs Union, Canada, France, the United Kingdom, and the United States and by other participating countries as soon as they can comply with procedures required by their constitutions or laws. This must be done by June 30, 1948. Provisional application by the United States will be effected by presidential proclamation under the trade agreements act, as amended. The agreement will enter definitively into force upon deposit with the Secretary-General of the United Nations of formal acceptances on behalf of countries making up 85 percent of the foreign trade of all negotiating countries as determined in an annex to the agreement.

Two years of intensive preparation, both here and abroad, including six months of continuous international negotiations at Geneva, went into the formulation of the agreement. The negotiating conference held some 1,000 formal meetings, and many more of a less formal character, on the tariff negotiations and related general provisions. Over 100 negotiations between separate pairs of negotiating countries went into the formulation of the final schedules of concessions.

From every point of view the agreement is unprecedented in scope and importance in the history of international trade. It is a demonstration of the kind of constructive work that the United Nations can do in the economic field. The agreement is the first major step to be taken by important nations to reverse the trend toward trade restriction and economic isolation which has persisted throughout the world since the first world war. It establishes liberal commercial policies for all of

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the leading trading nations. Announcement of this agreement should create an auspicious atmosphere for the opening of the United Nations Conference on Trade and Employment scheduled for Habana on November 21, and, within the long-term framework which it establishes, it should be possible for the reconstruction of Europe under the Marshall Plan to proceed with more confidence that efforts to restore world economy will not again be defeated by commercial warfare between the great trading powers.

This analysis sets forth the main points of the agreement and its tariff schedules and describes the principal improvements in trading conditions which the agreement brings about for the United States and the world.

Concessions Obtained by the United States

The concessions made by other countries at Geneva cover products accounting for a substantial proportion of total United States exports to those countries and include almost all the important United States export products. The table which follows shows in summary form the value of United States exports to the Geneva countries which is covered by the concessions which they made with respect to products of which the United States was their principal supplier. In addition to the value of these concessions, estimated at $1,192,346,000, the United States is interested in concessions granted by these countries on a substantial range of other products of which the United States is only a secondary supplier. In the time available, it has not been possible accurately to estimate the United States trade with these countries in such products, but it should be in excess of $200,000,000.

Imports From the United States in 1939, on Which Concessions of Primary Interest Were Made by Listed Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Value (thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>33,088</td>
</tr>
<tr>
<td>Benelux</td>
<td>110,000</td>
</tr>
<tr>
<td>Brazil (1938)</td>
<td>28,000</td>
</tr>
<tr>
<td>Burma</td>
<td>1,113</td>
</tr>
<tr>
<td>Canada</td>
<td>354,000</td>
</tr>
<tr>
<td>Ceylon</td>
<td>939</td>
</tr>
<tr>
<td>Chile</td>
<td>15,000</td>
</tr>
<tr>
<td>China</td>
<td>48,340</td>
</tr>
<tr>
<td>Cuba</td>
<td>74,000</td>
</tr>
<tr>
<td>Czechoslovakia (1937)</td>
<td>31,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Value (thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France and colonies</td>
<td>95,000</td>
</tr>
<tr>
<td>India and Pakistan (1938/39)</td>
<td>9,552</td>
</tr>
<tr>
<td>Lebanon–Syria</td>
<td>1,784</td>
</tr>
<tr>
<td>New Zealand</td>
<td>13,144</td>
</tr>
<tr>
<td>Norway</td>
<td>11,770</td>
</tr>
<tr>
<td>Union of South Africa</td>
<td>32,408</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>308,546</td>
</tr>
<tr>
<td>Southern Rhodesia</td>
<td>1,205</td>
</tr>
<tr>
<td>Dependent United Kingdom Colonies:</td>
<td></td>
</tr>
<tr>
<td>Newfoundland</td>
<td>2,787</td>
</tr>
<tr>
<td>Other (1936) (est.)</td>
<td>20,000</td>
</tr>
</tbody>
</table>

Total, all countries listed: 1,192,346

Concessions Made by the United States

Summary. The concessions made by the United States at Geneva consisted of bindings of tariff rates or duty-free entry and reductions in tariff rates. The analysis which follows will show the area of United States import trade in terms of 1939 imports covered by each type of concession followed by brief comments on the more important items on which concessions were made in various classes of imports.

Table I shows the value of total dutiable and duty-free imports into the United States in 1939, broken down as between the countries which participated in the Geneva negotiations and those which did not participate. The table also shows the total value of United States imports of products on which no concessions were made and of the products on which concessions were made, analyzed by type and extent of concession. The data are preliminary.

Total United States imports in 1939 of dutiable and duty-free products were 2,247.7 million dollars. Concessions were made on products accounting for 1,766.5 million dollars or 78 percent of total imports.

Of the 1,766.5 million dollars of imports on which concessions were made, 1,336.7 million dollars or 76 percent came from participating countries.

Total dutiable imports in 1939 were 906.5 million dollars. Concessions were made on 636.4 million dollars or 70 percent of total dutiable imports. Of this 636.4 million dollars, 543.1 million dollars or 85 percent came from participating countries.

Existing rates of duty were bound on imports accounting for 128.9 million dollars or 20 percent of total dutiable imports, were reduced less than 25 percent on 60.3 million dollars (10 percent), were reduced 25 to 35 percent on 174.5 million dol-
lars (27 percent), and were reduced 35 to 50 percent on 272.7 million dollars (43 percent).

Total duty-free imports into the United States in 1939 were 1,841.3 million dollars. This duty-free status was bound on products accounting for 1,130.1 million dollars or 85 percent of total duty-free imports. 793.6 million dollars or 70 percent of the products whose duty-free status was thus bound came from participating countries.

General Provisions

The general provisions of the Agreement are divided into three parts.

Part I gives legal effect to the tariff concessions set out in the Schedules of the Agreement and, in addition, lays down the basic rule of nondiscrimination in tariff and customs matters generally.

Part II deals with barriers to trade other than tariffs, such as quotas, protective excise taxes, restrictive customs formalities and the like. The provisions of Part II are intended to prevent the value of the tariff concessions.

### Table I—United States Imports in 1939, Total and by Kind and Extent of Concession

<table>
<thead>
<tr>
<th>From all countries</th>
<th>From countries participating in Geneva negotiations</th>
<th>From countries not participating in Geneva negotiations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total imports (dutiable and free)</td>
<td>2,247.7</td>
<td>1,457.7</td>
</tr>
<tr>
<td>Imports of nonconcession items</td>
<td>461.2</td>
<td>91.0</td>
</tr>
<tr>
<td>Imports of concession items</td>
<td>1,786.5</td>
<td>1,356.7</td>
</tr>
<tr>
<td>Total imports dutiable</td>
<td>2,247.7</td>
<td>1,457.7</td>
</tr>
<tr>
<td>Imports of dutiable nonconcession items</td>
<td>906.5</td>
<td>590.6</td>
</tr>
<tr>
<td>Imports of dutiable nonconcession items</td>
<td>270.1</td>
<td>37.9</td>
</tr>
<tr>
<td>Imports of dutiable concession items</td>
<td>636.4</td>
<td>543.1</td>
</tr>
<tr>
<td>Bindings</td>
<td>128.9</td>
<td>115.9</td>
</tr>
<tr>
<td>Reductions—Total</td>
<td>507.5</td>
<td>428.1</td>
</tr>
<tr>
<td>Less than 25%</td>
<td>60.3</td>
<td>40.4</td>
</tr>
<tr>
<td>25 to 35%</td>
<td>174.5</td>
<td>154.9</td>
</tr>
<tr>
<td>35 to 50%</td>
<td>272.7</td>
<td>257.8</td>
</tr>
<tr>
<td>Total imports free</td>
<td>1,341.2</td>
<td>857.1</td>
</tr>
<tr>
<td>Imports of nonconcession items</td>
<td>211.1</td>
<td>63.5</td>
</tr>
<tr>
<td>Imports of items bound free of</td>
<td>1,130.1</td>
<td>793.6</td>
</tr>
</tbody>
</table>

1 Includes items on the free list (106.1 million dollars); imports under the dutiable schedules of the tariff act of 1930 imported free of duty from the Philippine Islands (72.7 million dollars); and imports of other items entered free of duty under special provisions of the tariff act of 1930 (2.3 million dollars).

Note: The above table does not include imports free of duty under bond for processing, refining, and manufacture and export, amounting to 40.3 million dollars.

Note: The figures given in the above table represent United States imports in 1939 of all products except for a comparatively few items with respect to which imports in that year were abnormal. In such cases, statistics of imports in 1937 were substituted for statistics of imports in 1939. The net result of these substituitions is that the total imports shown in the above table as for 1939 are 30.9 million dollars greater than the actual imports in that year.

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from being impaired by the use of other devices, and also to bring about the general relaxation of non-tariff trade barriers, thus assuring a further quid pro quo for the action taken with respect to tariffs.

Part III deals with procedural matters, and with other questions relevant to the Agreement as a whole. Included in Part III are provisions setting out the relationship between the Agreement and the proposed Charter for an International Trade Organization; provisions establishing a mechanism for the administration of the Agreement; and provisions for its entry into force, amendment and termination.

A summary of the detailed provisions within each of the three broad parts of the Agreement follows.

Part I—Tariffs and Preferences

Article I—The Most-Favored-Nation Clause. Article I incorporates the most-favored-nation clause in its unconditional and unlimited form.

This clause is the cornerstone of nondiscrimination in international commercial relations. Its purpose is to make certain that the tariffs applied by each party to the Agreement to products imported from the other parties will not be higher than the tariffs applied to the same products when imported from any other country. Thus, the clause provides a guarantee that when American exports arrive in a foreign country which is a party to the Agreement they will not be faced with a tariff higher than the tariff applicable to competing exports from some other country.

The most-favored-nation clause as included in bilateral trade agreements entered into in the past by the United States and other countries has always been subject to exceptions which permitted the establishment, maintenance and increase of preferences between certain areas, such as, for example, between the areas comprising the British Empire, between France and its colonies, and between the United States and Cuba.

The General Agreement is unique in that it contains a blanket limitation on all such preferences so that they cannot be increased above the levels in effect on a date prior to the Agreement. This general binding of preferences extends not only to products on which concessions have been granted in the Schedules of the Agreement, but to all products entering into international trade, and represents a commitment above and beyond the reductions and eliminations of preferences on particular products provided for in the Schedules. The limitation at existing levels of every preference on all products is an effective bar to new preferential arrangements in the future and is an essential and far-reaching step towards the agreed goal of eliminating all forms of discriminatory treatment in international commerce.

The most-favored-nation provisions of the General Agreement also extend to export taxes. Export taxes have in the past largely served as a means of restricting or diverting exports of raw materials. Agreement to observe the rule of nondiscrimination in applying such taxes is an important step in carrying out point 4 of the Atlantic Charter looking toward "access, on equal terms, to the . . ."
raw materials of the world. From the point of view of the immediate interests of the United States, a significant result will be the elimination of the discriminatory tax on exports of tin ore and concentrates from the Malayan Union. Prior to the Agreement, Malayan exports of tin ore and concentrates destined for smelters in the United States were subject to a higher tax than the tax payable on exports to smelters within the British Empire, thus tending to favor the maintenance of smelting facilities in the Empire and to discourage the development of such facilities in the United States and elsewhere. When Malaya puts the Agreement into force, any tax thereafter maintained on exports of tin ore and concentrates must be the same for all countries, irrespective of destination, and the United States smelting industry will be in as favorable a position as the smelting industry of any other country in obtaining access to tin supplies in Malaya.

There are no exceptions to the provisions for most-favored-nation treatment on export taxes.

Article II—Tariff Concessions. Article II incorporates, as a legal and integral part of the Agreement, the tariff concessions set forth in the Schedules. It provides, in general, that the products listed in the Schedules will not be subject to any ordinary customs duties higher than those specified in the Schedules and, in addition, will not be subject to any supplementary charges on importation higher than those in force on October 30, 1947.

Article II also safeguards the tariff concessions against adverse changes in methods of tariff valuation or currency conversion; against changes in tariff classifications; and against unwarranted increases in rates of specific duties in the event of currency depreciation.

Part II—Non-Tariff Trade Barriers

Article III—National Treatment on Internal Taxes and Regulations. Tariff concessions can easily be nullified by internal excise taxes or other internal regulations which operate to protect home industries by laying greater burdens on the imported than on the domestic product. Such discriminatory taxes and regulations also introduce confusion into international trade transactions in general because they confront the foreign trader with hidden trade barriers in addition to the direct barriers raised at the customs border.

Article III is designed to do away as far as possible with such internal trade barriers and to require that any protection given be in the form of measures applied openly against imports at the time of importation.

To this end the Article provides that all internal commodity taxes which apply to imported products must apply equally to the like domestic products; that internal regulations in general may not treat imported products less favorably than domestic products; and that any internal quotas or "mixing" regulations (which require the consumption of foreign or domestic products in specified amounts or proportions) must not restrict imports to an extent greater than they did on April 10, 1947 and must be subject to negotiation for their further limitation or elimination.

The rule limiting the use of internal "mixing" regulations is an important one. "Mixing" regulations are as effective as absolute import quotas and prohibitions as a device for restricting trade. While their use is not widespread at the moment (they are probably not used today in more than a score of instances throughout the world), they would, if left unchecked, undoubtedly have become serious obstacles to world commerce.

Article IV—Cinematograph Films. Article IV, relating to motion-picture films, recognizes that the economic peculiarities of the film trade make import duties an unsuitable device for affording legitimate protection to national film industries. As a counterpart of import duties, therefore, Article IV establishes for the film trade alone an approved protective device in the form of screen quotas which reserve a portion of screen time for domestic films, and screen quotas are of course made negotiable in the same manner as tariffs. A most important feature of Article IV is the further provision that no screen time other than that reserved for domestic films may be allocated in any manner. A few existing preferential film quotas are permitted to continue, but their incidence may not be increased, and no new quotas of this type may be introduced. In general, therefore, this provision means a guarantee of free competition in the film markets of the parties to the agreement, except to the extent that nations may produce their own films for domestic exhibition. As a consequence of providing nations with the legitimate means of protecting their domestic film trade, all other discriminatory devices of all kinds would be outlawed. Under the terms of the Article there can be no renter or distributor quotas, no discriminatory taxes, no trading of special privileges between nations, and none of the other discriminatory measures which might be devised.

Article V—Freedom of Transit. Article V provides for the free movement of goods and vehicles across national territories on routes convenient for international transit. It prohibits the imposition of special transit duties or other restrictions and requires that all regulations dealing with transit shall be reasonable. One result of the application of the Article on freedom of transit will be the elimination of the requirement prohibiting the transportation by truck, in bonded transit, of United States goods across Canadian territory between Detroit and Buffalo.

Article VI—Antidumping and Countervailing Duties. Antidumping and countervailing duties, the proper purpose of which is to offset export dumping and subsidization, have frequently been misused for the purpose of hampering normal competition in international trade. Article VI lays down rules confining the use of these special duties to the circumstances in which they are justified and limiting them to the amounts necessary to accomplish their proper purpose.

Article VII—Valuation for Customs Purposes. When goods are subject to ad valorem duties, based upon the value of the goods, the methods followed at the custom house in determining the value of the goods is as important to the foreign trader as is the rate of duty itself. If these methods are arbitrary, or result in fictitious valuations, a much greater burden on trade can result than would appear from the height of the duty. Article VII is designed to assure that fair valuation systems will be used in assessing ad valorem duties. It provides that the values to be used...
shall be "actual" values and not arbitrary or fictitious values, and sets out a suitable definition of "actual" value for customs purposes. Provision is made that internal taxes shall not be included in the value of a shipment of goods if they have not in fact been paid on that shipment. In converting foreign currencies for the purpose of arriving at the value of imported products, a general requirement is made that the par value of the currency involved, as established by the International Monetary Fund, shall be used. This requirement, however, can be set aside in cases where trade transactions are not in practice carried on in terms of the par value. Whatever the detailed method of valuation followed, the general principle is established that valuation methods should be stable and should be given sufficient publicity to enable traders to estimate, with a reasonable degree of certainty, the value of goods for customs purposes.

Article VIII—Formalities connected with Importation and Exportation. Many of the difficulties facing foreign traders lie in unnecessary or needlessly elaborate customs requirements and formalities. Article VIII looks toward the removal of these obstacles at the earliest practicable date. Recognition is given to the principle that supplementary customs fees and charges should be limited to the cost of services rendered and should not represent a means of indirect protection to domestic industries, and to the need for reducing the number and diversity of such fees and charges, for minimizing the incidence and complexity of import and export formalities, and for decreasing and simplifying import and export documentation requirements. Provision is made that the parties to the Agreement shall not impose substantial penalties for minor breaches of customs regulations.

Article IX—Marks of Origin. Article IX provides for nondiscriminatory treatment in the application of requirements for the marking of imported products to indicate their origin; for the liberalization of marking regulations so as to permit importers to mark their goods at the time of importation rather than at the time of manufacture or export; for the elimination of marking requirements which may have the effect of damaging imported goods or materially reducing their value or unreasonably increasing their cost; and for limiting the use of marking penalties or fines to cases where the importer has unreasonably delayed his compliance with marking regulations, has applied deceptive marks, or has intentionally omitted to apply the required marks. A related paragraph looks toward international cooperation to prevent the "pirating" of geographical trade names which are distinctive of the produce of a particular country or region.

Article X—Publication and Administration of Trade Regulations. Article X is designed to assure full publicity and fair administration in the matter of laws and regulations affecting foreign trade. It provides for the publication of all such laws and regulations in such a manner as to enable both governments and traders to become acquainted with them; for the official publication of any increased duties simultaneously with or prior to their application; and for the establishment or maintenance of customs courts or similar independent procedures to assure justice and fair dealing in the administration of trade regulations.

Articles XI through XV—Quantitative Restrictions and Exchange Controls. Quantitative restrictions, or quotas, rigidly limit to an absolute amount or value the quantity of goods which may be imported or exported.

The use of quotas for protective purposes took place on an increasing scale during the inter-war years, so that today quotas are one of the most serious obstacles to an expansion of international trade. Action for the reduction of tariffs such as is provided for in the Schedules of the General Agreement would be meaningless without comprehensive measures to deal with the problem of quotas.

The Articles of the General Agreement relating to quotas (and to exchange control techniques) represent the establishment of an agreed policy among the contracting parties to avoid the use of quotas for normal protective purposes and to eliminate their use for other, extraordinary purposes (such as to safeguard the balance-of-payments) when the conditions making them necessary have ceased to exist. In substance, therefore, these Articles may be briefly described as constituting a general prohibition against the use of quotas, this prohibition then being made subject to carefully defined and closely controlled exceptions permitting their use in justifiable or necessary circumstances.

Article XI contains the general prohibition against quotas and sets forth certain "permanent" exceptions. The main permanent exception would permit the imposition of an import quota on a foreign agricultural product if the production or consumption of the like domestic product is also subject to restriction in equal degree. The purpose of this exception is to allow the continuation or establishment of governmental controls over agricultural production which are necessary to prevent heavy surpluses of farm products and drastic price declines. An example is the United States Sugar Act of 1937 under which all sugar consumed in the United States, whether of foreign or domestic origin, is subject to limitation with a view to maintaining prices at reasonable levels.

The other permanent exceptions set out in Article XI are of a relatively minor nature. They would permit quantitative restrictions which are necessary, for example, to enforce standards and grades (e.g. a prohibition on the importation of substandard tea); to relieve critical shortages of foodstuffs, such as are caused by famine; and to assist in surplus disposal programs having a relief character (e.g. the distribution of surplus apples free of charge through school lunch programs).

Article XII relates to the use of quantitative restrictions necessary to safeguard a country's balance of international payments and the value of its currency. It takes account of the situation of a country which does not possess enough foreign exchange to pay for all of the imported goods that its population would normally purchase and consume and recognizes that such a country may have to limit the overall volume of imports by means of quantitative restrictions, thus conserving foreign exchange for the purchase of those imported goods which are most essential to the economy.

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Rules are laid down to assure that quantitative restrictions permissible for balance-of-payments reasons will not be used for other purposes or under other circumstances. The basic rule is that restrictions may not be resorted to unless necessary “to forestall the imminent threat of, or to stop, a serious decline in . . . Monetary reserves”; or (if the country has dangerously low monetary reserves) “to achieve a reasonable rate of increase in . . . reserves.”

Balance-of-payments restrictions maintained at the time the General Agreement comes into force must be gradually relaxed as the country’s reserve position improves and must be completely eliminated when the reserve position would no longer justify their maintenance.

Other rules governing the use of balance-of-payments restrictions are:

(a) The country applying the restrictions must pay due regard to the need for restoring equilibrium in its balance-of-payments, and for assuring an economic employment of productive resources, thus making possible the eventual elimination of the restrictions.

(b) The restrictions may not be applied so as to prevent unreasonably the importation of any description of goods in minimum commercial quantities, or prevent the importation of commercial samples, or prevent compliance with patent, trademark, or copyright procedures.

(c) The country concerned must apply the restrictions in such a way as to avoid unnecessary damage to the commercial or economic interests of any other party to the Agreement.

If any party to the Agreement considers that another party is applying balance-of-payments restrictions contrary to the rules, it may file a complaint with all of the parties to the Agreement acting in their joint capacity (described in the Agreement as the Contracting Parties). If the complaint is justified, the Contracting Parties may recommend the relaxation or removal of the restrictions, and if this recommendation is not complied with in sixty days the Contracting Parties may authorize any party to withdraw tariff or other concessions from the party maintaining the restrictions contrary to the rules.

Countries not applying balance-of-payments restrictions at the time the Agreement comes into force but which to apply them later are required to consult the Contracting Parties, either before or immediately after taking such action. The purpose of this consultation is to ascertain the nature of the balance-of-payments problem, to see whether some measure other than trade restrictions might solve the difficulty, and to estimate the effect of the restrictions on the economies of other parties to the Agreement. Any country tightening up its restrictions must consult the Contracting Parties within thirty days. The Contracting Parties are required to carry out a general review of all restrictions still maintained on January 1, 1951. The Contracting Parties may give their advance approval to restrictions applied under specified circumstances and conditions.

Article XIII extends the principle of nondiscriminatory treatment to quantitative restrictions applied consistently with the provisions of the General Agreement. It requires, first, that any restrictions applied to imports from, or exports to, any party to the Agreement must also apply to imports from, or exports to, all other countries. Second, whenever restrictions are applied, they should preferably take the form of published quotas specifying the amount or value of the particular products involved which will be permitted to be imported during a specified future period. If this is not practicable, import licenses, without a quota, may be employed, but these licenses may not require or provide that the goods be imported from a particular country or source. If a quota is allocated among foreign countries or sources of supply, the allocation must be made so as to reflect the shares which the various parties to the Agreement would probably have supplied if the quota had not been allocated. To this end, the country applying the quota may either (a) seek agreement among all the parties to the Agreement which are suppliers of the commodity as to the fair allocation of the quota, or (b) allocate the quota on the basis of imports during a previous representative period prior to the establishment of the quota.

Article XIV sets out certain necessary exceptions to the rule that quantitative restrictions must be nondiscriminatory. It recognizes that a country in balance-of-payments difficulties may sometimes be able to conserve its monetary reserves, and increase its total imports, by purchasing more than the normal share of imports from particular foreign countries. This would be true, for example, if a country, hard-pressed to find enough foreign exchange to pay for all that it wanted to buy from abroad, had accumulated as part of its monetary reserves a stock of “inconvertible” foreign currencies which could not be used for payments everywhere in the world but only to pay for imports from a particular country. In such cases, Article XIV recognizes that too rigid an application of the rule of nondiscrimination might reduce, rather than enlarge, total world trade, and provision is therefore made for enough flexibility to permit the working off of inconvertible currencies.

Departures from the rule of non-discrimination, no matter how justifiable in theory, are dangerous in practice. Unless closely controlled they may lead to barter arrangements or other bilateral deals designed to carve out preferential markets rather than to solve financial problems. Article XIV therefore sets out the following safeguards to keep discrimination within bounds and eventually to place trading on a fully multilateral, nondiscriminatory basis:

1. Discriminations based on financial considerations must result in larger imports, and cannot be employed merely to divert trade from one source of supply to another.

2. The prices paid for goods imported under discriminatory restrictions cannot be substantially higher than the prices of like goods available from other sources. This sharply limits the scope of discrimination and minimizes its harmful effects.

3. The discrimination cannot be part of any arrangement which would reduce the country’s supply of gold or convertible currencies. This is aimed against bilateral barter deals having preferential rather than monetary ends in view.
4. Import programs involving discrimination must ultimately be directed to the goal of eliminating balance-of-payments difficulties and achieving the full convertibility of currencies.

5. Countries practicing discrimination must keep the Contracting Parties regularly informed of what they are doing and, after March 1, 1952, must obtain the approval of the Contracting Parties if they are to continue the practice.

6. The Contracting Parties can at any time require a country to remove discriminations which do not meet the criteria set out above.

7. If the Contracting Parties consider at any time that there is no longer a widespread disequilibrium in international trade, they may completely suspend the operation of this exception to the general rule against discrimination.

In order to provide the parties to the Agreement with a transitional period to adapt their administrative and economic systems to the detailed requirements set forth above, provision is made that the rules regarding nondiscrimination will not apply to countries in balance-of-payments difficulties until one year after the provisional entry into force of the Agreement (i.e. Jan. 1, 1949).

In addition to the provisions described above, there are certain other exceptions to the rule of nondiscrimination. Some of these are technical, being necessary to carry out the Article of Agreement of the International Monetary Fund. Others are based on provisions in the Anglo-American Financial Agreement. One is a temporary arrangement permitting the maintenance of preferential import quotas by the United Kingdom on four or five specific products (none of which are of special interest to the United States) pending their outright elimination by negotiation or their replacement by tariff preferences.

Article XV is designed to make sure that countries will not circumvent the rules regarding quantitative restrictions by resorting to exchange controls having the same effect on trade. To this end, it is provided that parties to the General Agreement shall either become members of the International Monetary Fund (which lays down agreed international rules governing the use of exchange controls and techniques) or else enter into a special exchange agreement with the Contracting Parties containing substantially the same safeguards as the Fund Agreement. In any case, parties to the General Agreement may not use exchange controls, even though consistent with the Fund Agreement, which would "frustrate the intent of the provisions" of the General Agreement.

In all cases where the Contracting Parties are called upon to consider or deal with balance-of-payments restrictions, they are required to consult the Monetary Fund, to accept the determination of the Fund as to what constitutes a "serious decline" in a country's monetary reserves, a "very low level" of monetary reserves, or a "reasonable rate of increase" in monetary reserves. These are the basic criteria for determining whether a country is entitled to use import restrictions to safeguard its balance-of-payments.

Article XVI—Subsidies. Subsidies such as those granted directly to producers by means of money payments or minimum farm income guarantees, are less disruptive of international trade than barriers such as tariffs and quotas. This is true because subsidies do not as a rule raise market prices and reduce consumption and because they tend to be used sparingly. Nevertheless, subsidies may cause serious prejudice to international trade in particular products. Article XVI provides that if a subsidy is used which increases exports or decreases imports of any product, it must be reported to the Contracting Parties together with a statement of the reasons why the subsidy is necessary and an estimate of its effect on trade. If it is determined that the subsidy is causing serious prejudice to the trade of one of the parties to the Agreement, the country granting the subsidy must, upon request, consult with the other party or parties concerned as to the possibility of limiting the subsidy.

Article XVII—State Trading. Concessions by state-trading enterprises on particular products are provided for in the Schedules of the Agreement along with the tariff concessions. Article XVII relates to the more general aspects of state-trading, with special emphasis on assuring that trading by the state will be conducted on a nondiscriminatory basis. It provides that the principle of nondiscrimination shall apply to state-founded enterprise, just as the most-favored-nation principle is applied to measures taken by governments themselves to direct the flow of trade. More specifically, it interprets this to mean that the enterprise must, in so far as its purchases or sales affecting exports or imports are concerned, act according to commercial considerations. In addition, the state enterprise must give to the enterprises of other countries (whether private or public) an opportunity to compete for the international business of the state-trading enterprise "in accordance with customary business practice". A parallel obligation requires that governments shall not prevent enterprises under their jurisdiction, including competitive private enterprises, from acting according to commercial considerations.

The rules relating to state-trading do not apply to ordinary governmental purchases for governmental use, thus leaving a government free to follow any policy it chooses in its purchases for the armed forces, for strategic stockpiles, or for similar purposes.

Article XVIII—Adjustments in Connection with Economic Development. Article XVIII recognizes the special problems of underdeveloped countries which may need to use nondiscriminatory trade measures, otherwise forbidden by the Agreement, in order to encourage infant industries. The Article provides that such measures may be used if the prior approval of the Contracting Parties is obtained. If the product is one of those listed in the country's Schedule of tariff concessions, however, the country wanting to adopt the measure must also reach substantial agreement with the party with which the concession was negotiated and other parties interested in it. Detailed procedures are provided to assure an adequate examination of the facts in each case and the expeditious and fair handling of applications to employ development measures.

Countries which had particular measures of economic development in operation on September 1, 1947, may continue them pending their examination by the Contracting Parties, subject to three main conditions. First, no such

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measure may continue in respect of any product listed in
the appropriate Schedule of tariff concessions. Secondly,
the measure concerned must have been notified to all of
the prospective parties to the Agreement prior to October
10, 1947, that is to say in advance of the day on which
the text of the General Agreement was authenticated.
Finally, all such measures must again be notified to the
Contracting Parties who will examine the measure and
approve or disapprove it within one year after the day
on which the country maintaining the measure becomes
a party to the Agreement.

Article XIX—Emergency Action on Imports of Particu-
lar Products. Tariff concessions and other commitments
to remove obstacles to trade may sometimes have unfore-
seen results. Accordingly, it is provided in Article XIX
that concessions may be withdrawn or obligations sus-
pended if, in view of unforeseen developments, they result
in increased imports so substantial as to cause or threaten
serious injury to home producers. There must, however,
be consultation with the other affected countries, either
before or immediately after withdrawing the concession,
with a view to reaching agreement. If agreement is not
reached, and the action is nevertheless taken, the other
parties affected by the action can then withdraw equivalent
concessions. These provisions are in line with the estab-
lished policy of the United States under the Trade Agree-
ments Act and with the requirements of Executive Order
No. 9832 issued by President Truman on February 25, 1947.

Article XX—General Exceptions. Article XX contains
a number of exceptions which customarily appear in inter-
national commercial agreements, together with certain
other exceptions growing out of the economic conditions
peculiar to the transitional post-war period. Among the
customary exceptions are those permitting the application
of measures to protect human, animal or plant life or
health (sanitary regulations); measures to protect public
morals; measures relating to international movements of
gold or silver; measures to enforce the customs laws and
prevent deception or fraud; measures to conserve exhaus-
tible natural resources, if made effective in conjunction
with restrictions on domestic production or consumption;
and measures applied under approved intergovernmental
commodity agreements. During a post-war period ending
on January 1, 1951 (which can be extended by the Con-
tracting Parties if necessary) special measures are also
permitted to bring about a fair distribution of products in
short supply, to maintain price controls in countries under-
going shortages subsequent to the war, and to liquidate
surpluses of goods or industries built up owing to the
exigencies of the war.

Article XXI—Security Exceptions. Article XXI recog-
nizes the need for certain trade control measures for rea-
sons of national or international security. It would per-
mit any party to withhold the furnishing or publication of
any information (such as, for example, technological in-
formation) the disclosure of which the party considers
would be contrary to its essential security interests, or
to take any action which it considers necessary for the
protection of its essential security interests relating to
fissileable materials or to the traffic in arms, ammunition
and implements of war, or taken in time of war or other
emergency in international relations or in pursuance of
obligations under the United Nations Charter for the
maintenance of international peace and security.

Articles XXII and XXIII—Consultation and Nullifi-
cation or Impairment. It is impossible to foresee and provide
in detail for all possible measures or developments which
may affect the commercial relations between nations. Articles
XXII and XXIII therefore provide respectively for consult-
bation between the parties to the Agreement on
all matters affecting the operation of the Agreement and
for procedures to be followed in the event that any measure
should be taken, even though not prohibited by the Agree-
ment, or any situation should arise, which would have the
effect of nullifying or impairing the benefits or objectives
of the Agreement. In the case of measures or developments
tending to nullify or impair the Agreement, any contract-
ning party may require the other parties concerned to con-
sult with it with a view to reaching a satisfactory adjust-
ment. If an adjustment can not be made, the matter may
be referred to the Contracting Parties. In exceptional and
serious circumstances, the Contracting Parties may au-
thorize a particular party to suspend the application of
any provision of the Agreement, either generally or in
respect of particular countries. Any party affected by this
action could then withdraw from the Agreement on short
notice (sixty days).

Part III—Procedural and Other Matters

Article XXIV—Territorial Application—Customs Unions. Article XXIV provides for the ap-
lication of the Agreement to the customs territories of
the contracting parties; for the establishment or con-
tinuation of measures to facilitate purely local traffic
across the frontiers of adjacent countries; for measures
necessary to the establishment of customs unions; and
for special trade relations between India and Pakistan
which may be necessary as a result of the division of India
into two separate and independent states.

Article XXV—Joint Action by the Contracting Parties. As indicated in the preceding discussion of the substanti-
Article of the Agreement, certain of its provisions (for
example those relating to quantitative restrictions for
balance-of-payments reasons) require that the contracting
parties act in their joint capacity. Acting in this way,
they are described in the Agreement as the Contracting
Parties. Article XXV provides for periodic meetings of
the representatives of the Contracting Parties, beginning
not later than March 1, 1948. Each party will have one
vote at these meetings and decisions will, except where
provided otherwise, be by majority vote. The Contracting
Parties may, by a two-thirds vote, waive obligations im-
posed by the Agreement upon a contracting party.

Article XXVI—Acceptance, Entry into Force and Regis-
tration. Article XXVI relates to the definitive entry into
force of the Agreement, as contrasted with its provisional
entry into force under the Protocol of Provisional Applica-
tion described below. It provides that each country ac-
cepting the Agreement must deposit a formal instrument
of acceptance with the Secretary-General of the United
Nations and that the Agreement will enter definitively

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into full force and effect 90 days after such instruments have been deposited by countries accounting for 85 percent of the trade of all the negotiating countries.

Special provision is made for the separate adherence of any customs territory which, although politically under the control of a contracting party, may in fact be wholly independent in the conduct of its foreign commercial relations.

Because of the close relationship between many of the provisions of the Agreement and the same provisions proposed for inclusion in the projected Charter for an International Trade Organization, provision is made that the Agreement may not enter into full force and effect until the precise provisions of the Charter have been finalized and agreement has been reached under Article XXIX (see below) as to whether the provisions of the Agreement or the corresponding provisions of the Charter shall govern.

The Secretary-General of the United Nations is authorized to register the Agreement with the United Nations as soon as it enters into force.

Article XXVII—Withholding or Withdrawal of Concessions. Article XXVII takes account of the possibility that one or more of the countries which participated in the negotiations at Geneva may fail to apply the Agreement, either definitively or under the Protocol of Provisional Application, or that some country may withdraw its application of the Agreement. In such cases, Article XXVII would permit those countries applying the Agreement to withhold or withdraw the particular tariff concessions provided for in the Schedules of the Agreement which, as disclosed by the records of the negotiations, had been initially negotiated with the country failing to apply the Agreement. Other parties to the Agreement which have a substantial interest in the concessions must, however, be consulted.

With regard to concessions granted by the United States and appearing in Schedule XX of the Agreement, the proclamation of the Agreement by the President of the United States, which will be made sometime in December, 1947, will indicate what concessions, if any, will be withheld by the United States by reason of the failure of any negotiating country or countries to apply the Agreement on January 1, 1948.

Article XXVIII—Modification of Schedules. Since all parties to the Agreement are legally entitled to each of the concessions listed in the Schedules, modification of a concession would normally require unanimous agreement among all of the parties. Article XXVIII is designed to introduce a desirable measure of flexibility so as to facilitate any needed adjustments of tariff rates after an initial period of three years. It provides that after January 1, 1951, any party which has granted a concession on a product may modify that concession by obtaining the agreement, not of all the parties, but only of that party with which the concession was initially negotiated. There must, however, be consultation with other parties having a substantial interest in the concession. If agreement on the proposed modification cannot be reached, the country desiring to modify or withdraw the concession may nevertheless do so, in which case the country with which the concession was negotiated, together with other parties having a substantial interest in the concession, may withdraw substantially equivalent concessions initially negotiated with the party taking the action.

The interest of countries not entitled to claim that they were the initial negotiators of a concession are protected by a clause permitting any such country, if it is for any reason dissatisfied with the modification or withdrawal of a particular concession, to withdraw substantially equivalent concessions initially negotiated with the country taking such action.

In order to avoid possible disputes and consequent delays in negotiations, it is provided that the question as to what countries have a substantial interest in a particular concession shall be determined by the Contracting Parties.

Article XXIX—Relation of the General Agreement to the Charter for an International Trade Organization. Article I of the General Agreement (the most-favored-nation clause) and all of Part II of the Agreement (nontariff trade barriers) are virtually identical with provisions recommended for inclusion in the proposed Charter for an International Trade Organization to be discussed at the United Nations Conference on Trade and Employment opening at Habana, Cuba on November 21, 1947.

The negotiators of the General Agreement considered that it would be highly desirable, if practicable, to avoid a situation in which the same international obligations, covering the same subject matter, should continue to be incorporated in two international instruments running concurrently. There was a strong body of opinion, therefore, that these provisions of the General Agreement should automatically be superseded by the corresponding provisions of the Charter when it came into force. At the same time, however, it was recognized that the provisions of the General Agreement represented concrete undertakings to be made effective at an early date in conjunction with, and as a quid pro quo for, tariff concessions; whereas the provisions of the Charter were still in the nature of proposals, which would be subject to change at the Habana Conference, and would in any case not be made effective for a period of several months at least.

In these circumstances, it was agreed that while there should be a strong presumption in favor of the automatic supersession of the provisions of the General Agreement by the corresponding provisions of the Charter as finally agreed to at Habana, any party to the Agreement should have the right to object to such supersession in the event that the provisions of the Charter should be materially different from those in the Agreement.

Accordingly, Article XXIX provides that Article I and Part II of the General Agreement shall be suspended and superseded by the corresponding provisions of the Charter on the day that the Charter enters into force; but that any party to the Agreement may, within 60 days after the end of the Habana Conference, lodge an objection to such supersession with regard to any particular provision. All the parties are then required to meet within a further 60 days and to decide whether the provisions of the Agreement, or alternatively the corresponding provisions of the
Charter, shall apply. Agreement is also to be reached on the transfer to the International Trade Organization of the functions provided for under Article XXV. As a matter of practice, any determinations regarding these matters will have to be unanimous among the countries accepting the determination.

Article XXIX also deals with other relationships between the General Agreement and the projected ITO Charter. Recognizing the importance of the successful adoption of the Charter to the attainment of the objectives of the Agreement, the contracting parties to the Agreement undertake, pending their acceptance of a Charter in accordance with their constitutional procedures, to observe the general principles of the Charter to the fullest extent of their executive authority. In the event that the Charter is not adopted, or if its adoption should be unduly delayed, or if it ceases to be in force, the contracting parties to the Agreement will meet to agree whether the General Agreement should be amended, supplemented or maintained. In the case of a contracting party to the Agreement which fails to adopt the Charter, provision is made for all the contracting parties to confer and agree on any amendments necessary to take care of the situation.

Article XXX—Amendments. Article XXX requires that amendments to Part I of the Agreement, relating to the tariff schedules, may not be made effective until accepted by all of the contracting parties, and that other amendments will be effective, for all those parties accepting them, when they have been approved by two-thirds of the contracting parties. These provisions do not, of course, apply in cases where the Agreement may be changed by other procedures specifically provided for in the Agreement, as for example, modifications in rates of duty pursuant to Article XXVIII. Amendments are subject to an acceptance procedure similar to that provided for in respect of the Agreement as a whole under Article XXVI (Entry into Force).

Article XXXI—Withdrawal. Any contracting party is free to withdraw from the Agreement, upon giving six months notice in writing, at any time after January 1, 1951, that is to say, three years after its provisional entry into force. This is in accordance with the requirements of the Trade Agreements Act.

Article XXXII—Contracting Parties. Article XXXII is a technical one, designed to make it clear that any country which is applying the Agreement, whether definitively or provisionally, is to be considered as a contracting party under the terms of the Agreement.

Article XXXIII. Article XXXIII provides for the accession to the Agreement by countries other than those which participated in the negotiations at Geneva. Such accession must be by agreement with those countries which are at the time contracting parties to the Agreement, and would involve the negotiation of a schedule of tariff concessions to be granted by the acceding country.

Article XXXIV. Article XXXIV incorporates the Annexes as an integral part of the Agreement. The Annexes, lettered A to I, relate to such matters as the description of the territorial preferential relationships referred to in Article I, the percentages of the total trade of the contracting parties applicable to each of them, and a number of definitions and interpretations of particular provisions of the Agreement. Most of these definitions and interpretations also appear in the Charter for an International Trade Organization recommended for consideration by the Havana Conference.

The Protocol of Provisional Application. Under the Protocol of Provisional Application, the key countries of Australia, the Belgium-Netherlands-Luxembourg Customs Union, Canada, France, the United Kingdom and the United States, which together account for — percent of the total trade of the countries negotiating at Geneva, undertaking to apply provisionally, on and after January 1, 1948, a) Parts I and III of the Agreement and b) Part II of the Agreement to the fullest extent not inconsistent with existing legislation. Other countries negotiating at Geneva may apply the Agreement provisionally in the same manner on and after 90 days after their signature of the Protocol. Countries applying the Agreement provisionally under the Protocol may withdraw such application on 60 days notice.

Procedure for Filing War Claims in Tunisia

The Department of State has been informed that the Tunisian Government accords to American nationals treatment equal to that accorded to French nationals in the administration of compensation for war damage to property in Tunisia. Claims may be registered with the Service des Dommages de Guerre, Commissariat à la Reconstruction, Dar el Bey, Kasba, Tunisia, Tunisia. The time limit for accepting registration of claims is January 22, 1948, when justification is given for delay.

The French law on war-damage compensation, No. 46–2389 of October 28, 1946, published in the Journal Officiel of October 29, 1946, has been made applicable to war damage to property in Tunisia by a decree of the Tunisian Government of July 17, 1947, published in the Journal Officiel Tunisien of July 22, 1947. The benefits of the French law are extended to American owners of property in France by article 7 of the agreement of May 28, 1946, between the United States and France on commercial policy and related matters. The benefits of the Tunisian law are extended to American owners of property in Tunisia by virtue of the Franco-American convention of March 15, 1944, in which France agreed to extend to United States citizens in Tunisia the benefits of all treaties and conventions in effect between France and the United States.

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Canadian Government Imposes Restrictions on Canadian Imports From Abroad

GENERAL STATEMENT

[Released to the press November 17]

The Department of State has not yet had time to study in detail the restrictions which the Canadian Government has just imposed on Canadian imports from abroad. The Department has been aware for some months past, however, that Canada might be compelled to adopt temporary measures of this sort because of the increasing difficulty she has had in obtaining United States dollars to finance her imports from the United States. During recent weeks representatives of the two Governments have discussed the Canadian position in general terms. The discussions culminated in the exchange of memoranda released on November 17.

As noted in the memoranda, the present Canadian difficulties are caused by the disruption of trade and currency relationships throughout the world. Canada's foreign trade is relatively far more important in her over-all economy than is the case in the United States. Traditionally it has followed a triangular pattern. Canada imports more from the United States than she exports to us, and in the past she paid for the excess with the proceeds of a favorable balance of trade with the rest of the world, especially the United Kingdom and the countries of western Europe. In terms of Canadian dollars, the value of total Canadian exports still is greater than the value of total imports into Canada.

During the past two years Canada's trade with the United States has stood at record high levels. Canadian imports from the United States were valued at $1,400 million dollars (Canadian dollars) in 1946 and $982 million dollars in the first half of 1947, whereas Canadian exports to the United States were valued at $890 million dollars in 1946 and $855 million dollars during the first half of 1947. At current export-import rates the annual deficit on merchandise account this year would amount to about one billion dollars—a figure which is three times the highest prewar deficit. Since

the war, moreover, Canada's customers in the United Kingdom and the countries of western Europe have found it increasingly difficult to pay her in United States dollars. Canada has therefore financed a substantial portion of her exports by extending credit assistance. Consequently it has been increasingly difficult for her to finance the excess of her imports from the United States.

In these circumstances the Canadian Government has found that it has no alternative other than to restrict imports, primarily of consumer goods and luxury items, although the imports of some classes of capital goods may also be subject to direct control. In certain cases imports are being prohibited entirely while in other cases they will be subject to quotas.

The Canadian Government has pointed out that failure to take effective action now could only mean that in the near future measures more drastic than those introduced at present would be necessary. There will of course continue to be a very large United States export trade to Canada, whose economy requires many of our raw materials and some of our finished goods. Canada has been the best customer of the United States for many years and will undoubtedly remain so.

Among the imports which the Canadian Government has found it necessary to restrict are certain items specified in the 1938 Canadian—United States trade agreement. The Canadian Government has therefore asked the United States Government to refrain from invoking the provisions of the 1938 agreement relating to the imposition of quantitative restrictions.

The Canadian Government has declared its intention to administer the controls in a manner consistent with the General Agreement on Tariffs and Trade which was recently concluded at Geneva [printed in part in this issue]. The use of quantitative restrictions in order to safeguard a country's external financial position and

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balance of international payments is provided for in article XII of the General Agreement. This article takes account of the situation of a country which does not possess sufficient foreign exchange to pay for imports required for normal purchases and consumption, recognizes that such a country may find it necessary to restrict the volume of its imports by means of quantitative restrictions, thus conserving foreign exchange for the purchase of imports essential to the economy of the country, and lays down rules for the use of quantitative restrictions in such circumstances.

The Canadian Government has stated that the controls will be removed at the earliest possible date that circumstances permit, that special provisions will be made for imports in transit, and that sympathetic consideration will be given to cases involving particular hardship.

The United States Government, recognizing the fact that Canada does not have sources or reserves of United States dollars and gold sufficient to pay for the present excess of imports from this country and noting the foregoing statements regarding Canadian intentions in the administration of controls, has agreed not to invoke the provisions of the 1938 trade agreement.

EXCHANGE OF MEMORANDA

[Released to the press November 17]

Aide-Mémoire From the U.S. Government

The Government of Canada refer to the discussions which have taken place recently between its representatives and those of the Government of the United States of America regarding the problems confronting Canada because of the rapid and marked decline during 1947 of its gold and United States dollar reserves.

It was noted in the course of the discussions that this condition was due 1) to an unprecedented increase in Canadian imports from the United States unmatched by an equivalent increase in Canadian exports to the United States, 2) to the disruption in consequence of the war of normal trade and currency relationships, which ordinarily would have allowed Canada to discharge its deficit with the United States with the receipts from Canadian exports to other countries and 3) to the necessity which Canada, in common concern with the United States, has felt for extending very substantial financial assistance to various European Nations in their urgent problems of postwar reconstruction.

The deterioration of Canada’s gold and United States dollar reserves has proceeded at such a rate and to such an extent that the Government of Canada are compelled to take immediate remedial measures. Failure to take effective action now could only mean, in the circumstances, that in the near future measures more drastic than contemplated at present would be necessary.

The Government of Canada find it necessary as one part of a general programme to curtail imports immediately in order to conserve their limited supplies of gold and United States dollars. It is a matter of special concern that such an action is necessary at this time when Canada is working with the United States and other Nations of the

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world to provide a sound basis for the expansion of world trade on a multilateral basis.

The Government of Canada wish to emphasize that it is their intention to administer their controls in a manner consistent with the General Agreement on Tariffs and Trade recently concluded at Geneva which will govern trade relations between the signatory countries in the near future.

The Government of Canada propose to remove the controls which they now find necessary to impose at the earliest possible moment that circumstances permit. They will moreover allow imports of any items which are now in transit to Canada. At any time during the period when control of imports is necessary the Government of Canada will give sympathetic consideration to representations in regard to any matter connected therewith which because of unusual circumstances involving particular hardships to the principals concerned would seem to merit special attention.

In order to effect the necessary savings of gold and United States dollars, it is necessary to limit, among other imports from the United States, some items specified in Schedule I of the 1938 Trade Agreement between the United States and Canada. The Government of Canada express the hope that the Government of the United States will not in the circumstances, consider it necessary to invoke the pertinent provisions of the Trade Agreement of 1938 during the brief interval before the provisional coming into force, on January 1st next, of the General Agreement on Tariffs and Trade which will replace the provisions of the earlier agreement.

The Canadian Embassy,
Washington, D. C.,
November 14, 1947.

Aide-Mémoire From the U.S. Government

The Government of the United States of America refers to the aide-mémoire of the Government of Canada, dated November 14, 1947, concerning the problems confronting Canada because of the serious decline in its gold and United States dollar reserves, and concerning the limitation on imports from the United States which the Government of Canada therefore considers necessary.

The Government of the United States takes note of the information presented by the representatives of the Government of Canada in support of its contention that temporary controls on imports are necessary in view of the current situation respecting Canada's gold and United States dollar reserves. It appreciates the repercussions on Canada's exchange position resulting from the economic and financial difficulties which various European Nations are now experiencing as a result of the war. It is aware of the extent to which Canada has been participating in European reconstruction and of the fact that this effort has contributed to Canada's present foreign exchange reserve position.

Acknowledgment is made of the statement by the Government of Canada of its intention to administer its controls in a manner consistent with the General Agreement on Tariffs and Trade which was recently concluded at Geneva.

The Government of the United States takes note also of the statement of the Government of Canada with respect to the duration and the administration of the controls. In view of the prolonged efforts our two countries have made to promote world trade and world recovery, the Government of the United States attaches the highest importance to this indication of the Canadian Government's intention. Having in mind, also, that the conditions of the controls contain elements which might become unduly prejudicial to the position of individual commodities, it is particularly concerned that an opportunity be given for discussion of the detailed effects where, in its opinion, the circumstances are sufficiently grave. In the circumstances the Government of the United States agrees for the duration of the present arrangement not to invoke the provisions of Articles II, III and X of the Trade Agreement of 1938 between the United States of America and Canada in respect of the measures to be taken by the Government of Canada as set forth in its aide-mémoire.

It is recognized that the Trade Agreement between the United States of America and Canada remains in full force and effect during the present arrangement, save for those temporary modifications in its operation provided for in this exchange of aides-mémoire.

Department of State,
Washington,
November 15, 1947.
EXCHANGE OF CORRESPONDENCE

Letter from the Minister of Finance of Canada

OTTAWA, November 10th, 1947.

DEAR SIR: I refer to the discussions which have recently taken place between representatives of the Export-Import Bank and of the Government of Canada regarding a loan to Canada. During the course of these discussions full information on the Canadian position has been furnished to the Export-Import Bank.

On behalf of the Canadian Government I now write to apply for a credit from the Export-Import Bank in the amount of $300,000,000.

With respect to terms, the Canadian Government would contemplate that drawings under the credit could be made up to December 31st, 1948, and that amounts drawn should be repayable in three equal annual instalments on the third, fourth and fifth anniversary dates of each drawing.

The purpose of the loan which is being requested is to assist Canada in maintaining purchases of essential equipment and raw materials in the United States, which purchases will contribute in a most important way to the maintenance of a high level of production in Canada.

The Canadian Government believes it would be desirable to reduce the commitment of the Export-Import Bank by the issue and sale of our securities to banks or other private investors in the United States. The extent to which this will be possible will of course depend upon the absorptive capacity of the market. Preliminary investigation of market possibilities will be undertaken in the near future. Before any final arrangements are made for an issue we will consult with you in regard to the extent to which the proceeds are to be used to reduce the Export-Import Bank commitment.

If agreement in principle is reached in regard to the establishment of a credit for $300,000,000, our representatives will be in a position to discuss with your institution the details of terms and conditions and to supply any further information that may be required.

I wish to express the Canadian Government’s appreciation of the courteous and helpful spirit in which your institution has conducted the discussions preliminary to this application.

Yours sincerely,

D. C. ABBOTT

Honorable HERBERT E. GASTON,
Acting Chairman, Export-Import Bank,
Washington, D. C.

Letter from the Acting Chairman of the Board of Directors of the Export-Import Bank

November 12, 1947.

MY DEAR MR. MINISTER: The Board of Directors of the Export-Import Bank has considered your letter of November 10, requesting on behalf of the Government of Canada a credit of $300,000,000 for the purpose of maintaining purchases in the United States of essential equipment and raw materials.

The Bank is prepared to extend a credit to Canada in the amount requested and has set aside for this purpose $300,000,000 of its uncommitted funds.

Before any part of this commitment can be used by the Canadian Government, it will be necessary, of course, to execute a formal agreement between the Export-Import Bank and the Government of Canada setting forth in detail the terms and conditions of the credit. These terms and conditions will include, among others, the following: (1) provision for repayment of drawings, in accordance with your proposal, in three equal annual instalments on the third, fourth, and fifth anniversary dates of each drawing; (2) provision for a period of availability, also in accordance with your suggestion, extending to December 31, 1948; (3) a rate of interest on drawings against the credit which shall be determined with due regard for the policy of the Bank not to compete with private capital; and (4) schedule of the equipment and raw materials which may be financed by the use of the credit, together with the dollar amount to be financed within each category.

We note that the Canadian Government believes that it would be desirable to reduce the commitment of the Export-Import Bank and that it in-
tends in the near future to approach the private capital market in the United States for credit facilities with this end in view. That this should be done at as early a date as possible is a matter of primary concern to the Bank because of its statutory responsibility not to compete with but rather to encourage and supplement the use of private capital in financing United States foreign trade. We note that you will consult with the Export-Import Bank prior to the completion of any arrangements for private credit facilities for the purposes presently in view.

Sincerely yours,
HERBERT E. GASTON
Acting Chairman

The Honorable D. C. ABBOTT,
Minister of Finance,
Ottawa, Canada.

Answer to Charges That Americans Were Implicated in Conspiracy Against Rumanian Government

NOTE FROM U.S. MINISTER TO RUMANIA TO RUMANIAN MINISTRY FOR FOREIGN AFFAIRS

[Released to the press November 19]

On Friday, November 14, 1947, Rudolf E. Schoenfeld, United States Minister to Rumania, delivered the following note to the Rumanian Ministry for Foreign Affairs.

I have been directed by my Government to communicate to you the following:

It has come to the attention of the United States Government that the indictment of the leaders of the National Peasant Party of Rumania recently tried includes charges that former representatives of the United States in Rumania or American members of their missions were implicated in an alleged conspiracy to overthrow the Rumanian Government by force and violence. The Government of the United States has taken note of these accusations, not only as to their substance but also as to their character and as to the manner in which they have been put forward, which in itself affords eloquent commentary on their political motivation and insincerity.

The United States Government deems it unnecessary and inappropriate to dignify by specific refutation charges presented in this fashion which falsely insinuate that the Government of the United States through its representatives has advocated or lent support to a contemplated attempt at overturning the Rumanian Government by force.

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By virtue of United States participation in the agreements of Yalta, Potsdam and Moscow and in the exercise of United States prerogatives as an Armistice Power, American representatives, for legitimate purposes, have maintained associations with representatives of all significant political elements in Rumania. Such associations have been known to all and have properly been questioned by none.

The United States has never condoned the unrepresentative character of the present Rumanian Government nor the methods by which it attained and has perpetuated its authority. The views and efforts of the United States, in conformity with its responsibilities to assist Rumania in obtaining a broadly representative Government responsive to the will of its people, are a matter of public record. So also are the views of the United States Government concerning the denial of human rights and fundamental freedoms to large segments of the Rumanian population in contravention of international commitments made by the Rumanian Government.

The Rumanian people as well as free people everywhere will know how to assess the kind of implications directed against the Government of the United States which have been brought forward in this devious fashion.
Greek Government Ratifies Treaty of Peace With Italy

Statement by Acting Secretary Lovett

[Released to the press November 21]

The United States Government has been pleased to learn that the Government of Greece completed ratification of the treaty of peace with Italy on October 28. We consider this action as a further step toward the restoration of normal conditions in Europe and as further evidence of the desire of the Greek Government on its part to achieve peaceful relations with its neighbors. It is to be hoped that the ratification of the Italian peace treaty will usher in a new era of cooperation among the countries of the eastern Mediterranean and provide the basis for lasting peace and security in this critical area.

The Italian peace treaty settles the problems which arose between Greece and Italy as a result of the war. Greece, which was the object of unprovoked aggression launched from neighboring countries, has made clear on a number of occasions that it has certain claims which could not be considered in connection with the Italian treaty since they do not involve Italy. It is gratifying that the Government of Greece, instead of attempting to settle these claims by unilateral measures, is willing to leave them for consideration at some future time by the appropriate international organ.

The procedure followed by the Greek Government with respect to the Italian peace treaty demonstrates once again the willingness of Greece to cooperate in the carrying out of decisions reached by international agreement and the intention of Greece to seek attainment of its aims only through established and appropriate channels.

Mexico Pays Sixth Instalment Under Claims Convention

[Released to the press November 19]

The Chargé d'Affaires of Mexico has presented to the Assistant Secretary of State for political affairs the Mexican Government's check for $2,500,000, United States currency, representing the sixth annual instalment due to the United States under the claims convention concluded November 19, 1941. The Assistant Secretary of State requested the Chargé d'Affaires to convey to his Government an expression of this Government's appreciation.

Under the terms of the convention Mexico agreed to pay the United States $40,000,000, United States currency, in settlement of certain property claims of citizens of the United States against the Government of Mexico, as described in the convention. Payments heretofore made amount to $18,500,000. With the present payment of $2,500,000 the balance remaining to be paid amounts to $19,000,000 to be liquidated over a period of years by the annual payment by Mexico of not less than $2,500,000, United States currency.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Chronology of the United States and the United Nations from August 14, 1941, to September 1947 and other pertinent information.

Development of inter-American bilateral scientific and cultural cooperation during and after the war, effected principally through the Interdepartmental Committee on Scientific and Cultural Cooperation and the Institute of Inter-American Affairs.

Discussion of the Geneva draft of a charter for an International Trade Organization.

Summary of the provisions of the Geneva draft charter for ITO.


Sets forth the main points of the agreement and its tariff schedules and describes the principal improvements in trading conditions which the agreement brings about for the United States and the world.

1058
Remittance Facilities Between the U.S. and Japan Established Through Commercial Banking Channels

[Released to the press November 19]

The Department of State announced on November 19 that Military Government regulations in effect in Japan have been relaxed to permit the remittance of funds through commercial banking channels to any person in Japan, natural or juridical, including Japanese nationals, within the limitations prescribed by the Supreme Commander for the Allied Powers in Japan. This action has been taken in view of the desire of persons and organizations abroad to make remittances for charitable or similar purposes to Japanese nationals, and in anticipation of the need of foreign businessmen entering Japan to obtain funds to meet current expenses while in Japan and of the probable need of United Nations nationals for funds for the rehabilitation and preservation of their property in Japan.

Heretofore, facilities for the remittance of funds through banking channels were available generally only to personnel and organizations officially accredited to, or connected with, General Headquarters, Supreme Commander for the Allied Powers in Japan.

Under these revised regulations and in accordance with limitations currently in effect, any person in Japan may now receive remittances up to a maximum of $1,000 per month through any American bank licensed to operate a branch in Japan. However, larger amounts may be authorized by the Supreme Commander whenever circumstances justify such action. Outpayments will be made in yen at the military rate of conversion of 50 yen for one dollar or, to the extent that the remitter is entitled thereto on the basis of theater regulations, in military-payment certificates or other dollar facilities, including dollar deposit accounts in branches of non-Japanese banks in Japan.

The relaxation of theater regulations with respect to remittances in no way affects the current restrictions on the acquisition of property in Japan by persons outside Japan or on any transaction of a financial or commercial nature between persons in Japan and any foreign person, natural or juridical. Such transactions may not be engaged in except with the approval of the Supreme Commander for the Allied Powers in Japan.

At present the only American bank having a branch in Japan through which remittances may be effected is the National City Bank of New York. However, it is expected that in the near future the Chase National Bank of the City of New York and the Bank of America of San Francisco will also have established branches in Japan.

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markedly during the war years, the coming meetings will greatly facilitate and hasten the pooling of this useful knowledge. Outstanding scientists from many countries will be invited to present their findings, new processes will be demonstrated at the Government laboratories in Beltsville and Bethesda, and there will be scientific and commercial exhibits of recently developed apparatus and techniques.

In order that observations and experience in many fields of tropical medicine may be reported within the available time, the scientific meetings will be held in 12 sections in Government auditoriums, and as many as four will meet at a time. Two evening meetings will be devoted to the commemoration of historic discoveries in tropical medicine. The first will celebrate the demonstration by the famous American scientist, Walter Reed, of the method of spread of yellow fever by mosquitoes and his admission to the Hall of Fame. The second will commemorate the discovery by the distinguished British scientist, Ronald Ross, 50 years ago, of the mosquito transmission of malaria. When the Congresses are over the papers presented will be published so as to extend the influence of the meetings in helping all countries control their tropical diseases, which is, in effect, the main object of the Congresses.

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**Contributors**

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The Department of State bulletin

Vol. XVII, No. 440 • Publication 2996

December 7, 1947

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
AMERICAN INTEREST IN INTERNATIONAL MOTOR TRAVEL

by H. H. Kelly

December 7, 1947

For the first time, the United States in 1946 became an official participant in international treaty arrangements by which its citizens and those of other countries in the Western Hemisphere may enjoy reciprocal privileges for motor touring. This was accomplished by the United States Government's becoming a party to a convention on the regulation of inter-American automotive traffic. Cooperation between the Federal Government and the states and motoring associations makes possible the successful carrying out of these new international arrangements, which have been under consideration for many years. The present volume of international automobile traffic in the Western Hemisphere, with the exception of that between the United States, Canada, and Mexico, is not large, but future potentialities are great in view of highway development in the other American republics, the desire of Americans to find new travel experiences, and the foreign economic policy of the United States Government, in which expenditures by our tourists in foreign countries constitute an important factor.

The United States Government has recently become a party to a multilateral convention in the field of international travel by motor vehicle. This fact is noteworthy from the standpoint of both international and domestic relations.

The agreement is entitled "Convention on the Regulation of Inter-American Automotive Traffic". Fundamentally it provides official status for the American motorist traveling in other countries of the Western Hemisphere (and reciprocally, for motorists from other countries traveling in the United States) by establishing standard means of identification and requiring observance of certain uniform rules. Of particular interest to the United States, the agreement takes into account the special relationship existing between the Federal Government and the several states, and defines the state registration certificates and drivers' licenses as basic prerequisites to enjoyment of the privileges of the new convention. It also permits authorized motoring associations to issue to motorists the necessary international travel documents. These service organizations are thereby enabled to utilize effectively the contacts and experience.


2 To avoid confusion, the word "State", as used in this article (including quoted matter), refers to a sovereign nation, and "state", without capitalization, to one of the various states or territories of the United States.
which they have had with their foreign affiliates for many years and which will benefit motorists traveling in strange lands. Thus the agreement has established new and interesting precedents in order to meet special conditions existing in this area of international relations.

**Historical Background**

Before the first World War, motoring abroad by American citizens was confined almost entirely to a few wealthy motorists, and in each individual case special arrangements were made with European motoring clubs, using documents which had been adopted by an international conference at Paris in 1909.

During the 1920’s the volume of traffic from the United States to Europe grew steadily, stimulated by the activities of steamship companies and by enhanced interest in Europe on the part of Americans, many of whom had served in the military forces during the war. Another international conference was held at Paris in 1926, attended by United States Government observers, and a convention was adopted which gave new impetus to international motoring, particularly in Europe. Forty-eight countries have become parties to this convention, and many of those countries have given notifications that the convention shall be effective in certain of their colonies, possessions, protectorates, overseas territories, or territories under mandate. The United States could not become a party, however, because the convention did not embody provisions which made allowance for the United States Federal-state relationship and which would permit United States adherence to an international treaty relating to a field in which the individual state authority in driver and vehicle licensing is paramount.

During the 1930’s the number of Americans taking their automobiles abroad continued to increase, but their travel in foreign countries was only by virtue of courtesy arrangements obtained by American motoring associations from affiliated groups abroad and because of the desire of foreign governments to encourage American visitors as an important element in their national economy. These arrangements operated satisfactorily at the expense of having both the United States driver and car in effect become “foreigners”. For example, an American motorist entering France was assigned a French license number for his car and, on the strength of his state driving permit, was issued an international driving permit. This procedure was instituted by the motoring associations and was the only means of enabling American motorists to operate their own cars in European countries.

Confronted by this lack of official international status for American motorists, governmental and private agencies continued their efforts to find means of meeting the problem. Interest began to be concentrated upon the Western Hemisphere and was stimulated by the plans for a pan-American highway. An inter-American convention on regulation of automotive traffic was drawn up in 1930 and was signed on behalf of the United States of America and 18 other American republics but because of its inadequacy was not submitted to the Senate and was never ratified by this Government. In 1939 the Third Pan American Highway Congress in Lima, Peru, proposed a new convention to replace the 1930 document. The war was in full tide in Europe, and although the United States was shortly to enter the struggle, interest in the inter-American travel arrangements did not flag. In March 1941 the Pan American Highway Confederation, sponsored by the Pan American Union, whose members are the 21 republics of the Western Hemisphere, completed a draft convention and submitted it for comment to the motor-vehicle administrators and highway departments of the various states and to other countries in the Western Hemisphere. Further study resulted in preparation of a final draft which was approved by the Governing Board of the Pan American Union, and the resulting convention on the regulation of inter-American automotive traffic was opened by the Pan American Union for signature at Washington on December 15, 1943. Since the United States could become a party to this convention because allowance was made in the provisions thereof for the United States Federal-state relationship, the convention was signed on behalf of the United States on December 31, 1943. On July 25, 1946, the Senate gave its advice and consent to ratification of the convention. The convention was ratified by the President on August 8, 1946, and became effective as to the United States on October 29, 1946, the date on which the United States instrument of ratification was deposited with the Pan American Union. The convention was proclaimed by the President on November 1, 1946.
Instruments of ratification of the convention have also been deposited by the following other countries. Brazil, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Peru. In addition, the following countries have signed but have not yet ratified the convention: Argentina, Bolivia, Chile, Cuba, Haiti, and Paraguay.

When the United States became a party to this convention, its provisions became an integral part of the law of the United States, and by the proclamation of the President “shall be observed and fulfilled with good faith by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.”

On November 14, 1946, the Department of State sent letters to all governors of the states and to the United States territories, notifying them of the ratification of the inter-American convention. Its purpose was stated as “designed to facilitate and encourage the movement of motor-vehicle traffic between the American Republics by simplifying formalities and establishing uniform regulations for international automotive traffic in relation to such matters as registration, driving licenses, standards of size and equipment, and the keeping of records”.

The replies indicated that the state authorities would take appropriate action. For example, the governor of one large eastern state wrote: “The Commissioner of the State Police and the Secretary of Revenue feel that these proposals are sound and are in accordance with same”. From two midwestern states came these comments: “Without a doubt, the provisions of the convention will facilitate and encourage the foreign travel of motor vehicles in other American countries” and “It is our desire to recommend and extend all reasonable courtesies to visitors from our state to the American nations.” During this period, contact was also maintained by the Department of State with the American Association of Motor Vehicle Administrators, whose officials gave helpful advice.

Volume of Motor Travel

So far as the United States is concerned, international motor-vehicle traffic has almost the character of a one-way street—predominantly outward. In the reverse direction, the number of foreign motorists entering this country has been exceedingly small. Although an increase is hoped for as the motor-vehicle population of foreign countries grows and as world economic conditions improve, the current moving inward to the United States can hardly be expected ever to equal the outward stream. Thus the advantages of obtaining official status through multilateral agreement will accrue predominantly to our own citizens who desire to motor abroad. On the other hand, foreign countries will benefit from the expenditure of dollars which American motorists will bring to them.

In speaking here of foreign travel, it is necessary to exclude the special cases of Canada and Mexico, since the exchange of motorists between

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the United States and these neighboring nations is already large and operates under "reciprocity" arrangements among the various states and the Provinces of Canada and Mexico. Under these arrangements registration plates and drivers' licenses are recognized. The total exchange of vehicles between the United States and Canada amounts to several million a year. In 1946 more than 5,000,000 American cars entered Canada from all border points, about 3,700,000 of this number being "local" crossings for less than 24 hours each; more than 1,700,000 Canadian cars entered the United States in the same year, of which about 1,500,000 were for trips of less than 24 hours. The volume of American motorists traveling to Mexico is estimated at 50,000 during the current calendar year. The new inter-American convention necessitates no change in the existing arrangements which make this traffic possible.

To other foreign countries the volume of travel is smaller, although the average expenditure involved in each trip is obviously greater. During the four years prior to the war, 1936–39, about 17,600 American passenger automobiles are reported to have been taken to Europe by motorists; the figure dropped to zero during the war years but in 1946 rose again to about 1,000 and is estimated at about 3,000 for the current year. The all-time peak was 5,988 in 1937, and this figure gives some measure of future potentialities if general conditions abroad improve.

Most of this traffic was outbound from America to Europe; although precise figures are not available, the number of incoming tourists bringing their cars from Europe is believed not to exceed 100 in any one year. The flow of motorists to and from the other American republics is believed to have been even smaller, but this index is far from being a conclusive one for the future in view of the steady improvement and expansion of the pan-American and inter-American highway systems.

The Inter-American Convention

The convention on the regulation of inter-American automotive traffic provides the official basis for increased motoring activity in this Hemisphere. The convention is printed in four languages—Spanish, English, Portuguese, and French, which is indicative of one of the complexities in international travel. Briefly, it covers the following major points:

(1) Recognizes that each State has exclusive jurisdiction over its own highways but agrees to their international use as specified in the convention (article I);

(2) Encourages simplified customs and other measures for the facilitation of international automotive traffic (article IV);

(3) Requires, before admission to international traffic, registration of the vehicle (article V) and licensing of the driver (article VI) by the proper authorities of the State of origin;

(4) Provides for issuance of an international registration marker to be displayed on the vehicle to indicate the country of origin (article IX—the symbol for the United States is "U.S.A.");

(5) Establishes certain essential requirements as to equipment* "unless the laws and regulations of the respective States or political subdivisions thereof provide otherwise" (article XI);

(6) Recognizes an international automobile certificate (article XII) and an international driving license (article XIII), which may be issued by the contracting State or any authorized political subdivision thereof or an association duly empowered by such authorities;

(7) Recognizes a general bond guaranteeing payment of customs charges on the vehicle (including the customs pass issued by international motoring associations and already recognized in most of the countries of the world) if any State requires such a bond (article XIV);

(8) Provides that infractions of the convention shall be punished in conformity with the laws and regulations of the country in which committed (article XVII).

Texts of the automobile certificate and driver's license, which are now available for issuance in this country in the form of printed booklets 4 x 6 1/2 inches in size, are also contained in the convention. It should be emphasized that these international documents are valid only in countries other than the country of domicile of the driver or vehicle.

Nowhere in the convention is there specific mention of the problem presented by trucks and

* Based upon prevailing practice in the United States, since most motor vehicles in the Americas are of United States make: brakes adequate to stop the vehicle in 30 feet from a speed of 20 miles an hour; headlamps adequate to reveal a person 350 feet ahead, et cetera.
buses—unless by indirection, as in article IV, which provides that: “Simplified customs and other regulatory measures” between contiguous States “for the facilitation of international automotive traffic, shall be considered to be in furtherance of this Convention and shall be encouraged”, and in article X which sets forth certain maxima of sizes and weights “unless otherwise provided by the laws or regulations of the respective States or subdivisions thereof”. This problem may necessitate further consideration; practically, however, it is not important at present, since neither Canada nor Mexico has become a party to the convention, and there is little expectation of commercial vehicle traffic’s developing over the long hauls between the United States and other countries of the Western Hemisphere.

Operations Under the Convention

Practical considerations applicable both to the individual motorist and to state officials were set forth in a letter sent by the Secretary of State to all state governors on March 4, 1947, which read in part as follows:

“5. Procedure under the Convention for residents of foreign countries (except those countries or subdivisions thereof already having reciprocal arrangements with states of the United States, such as certain provinces of Canada and Mexico) will be as follows:

“Every person planning to take his automobile into the United States for touring purposes, must obtain from a properly accredited agency in his home country the three means of identification required by the Convention.

“Every foreign vehicle operated in _________ (this state) under the terms of the Convention must carry conspicuously displayed the prescribed ‘vehicle identification marker’ showing his country of origin, and the operator must carry his international automobile certificate and driving license (which are printed in English, Spanish, Portuguese, and French), and be prepared to show them to any police officer.

“6. Procedure for United States residents will be as follows:

“Applicant for international motor privileges will present his state motor vehicle registration certificate and state driver’s license to designated office of either of the two authorized motoring associations.

“If these documents are found valid and in good order, the three means of identification provided for by the Convention will be issued to him, together with customs documents if required by the country or countries in which he plans to travel.

“These international documents will have no validity for United States residents traveling in the United States, but will be recognized by the authorities in foreign countries.

“8. It is expected that the usual hospitality and courtesy extended to out-of-state motorists by all officers and employees of _________ (this state) will be shown to persons operating their vehicles under the Inter-American Convention.”

Thus far, no state in this country has indicated a desire to issue the international travel documents, and it appears probable that this task will continue to be performed by the authorized motoring associations or other organizations found to be properly qualified.

The cooperation of the Federal states, however, always recognized as essential in a matter of this kind, has just been demonstrated in a resolution adopted on November 14, 1947, by the American Association of Motor Vehicle Administrators. This resolution pledges the support of state officials in the following words:

“WHEREAS, the desirability of encouraging and facilitating international travel by motor vehicle is universally recognized as being of great importance to friendly relations among states and nations, and

“WHEREAS, the United States Government has become a party to the ‘Convention on the Regulation of Inter-American Automotive Traffic’, which establishes certain reciprocal rights and privileges for motor vehicle operators of the Western Hemisphere, and

“WHEREAS, there is also need for proper official recognition and reciprocal privileges among nations in other parts of the world, for which the existing International Motor Traffic Convention of 1926 does not now appear adequate,

“Therefore, Be it resolved that this Association pledge its support to the successful carrying out

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of the provisions of the said Inter-American convention, consistent with the laws and regulations of the several states and provinces, and

"Be it also resolved that this Association recommends that a new international automotive convention capable of application in all countries of the world, and designed to meet present day conditions and standards, be established."

The reference in this resolution to a new international convention of global scope is a recognition of the need for an up-to-date document to revise or replace the Paris convention of 1926, to which the United States was never able to adhere. Indications are that this subject may eventually be brought to the attention of the United Nations for consideration by the Economic and Social Council and its Transport and Communications Commission.

The Broad Objective

In the broadest sense, it may be said that the activity of the U.S. Government in this field is part and parcel of the American policy to obtain fair treatment everywhere for its citizens. Further, this policy combats discriminatory practices, grants rights to citizens of other countries on a reciprocal basis, and forges ever closer ties of friendship and communication with foreign nations. Specifically, the present convention should promote the development of tourist travel in the other American republics and contribute to the economic welfare of our neighbors to the south and thus, indirectly, to our own.

In a technical sense, the long-term objective for international motor travel should be the universal reciprocal recognition of an owner’s valid car registration and driver’s license as issued in his home state and the free entry of bona fide tourist automobiles into any country under the local customs regulations—in a word, the same free reciprocity among all countries as now exists among the several states of our Union. But it may be a long time before this goal of perfection is attained, for the barriers of language, customs, and inadequate local requirements still remain in many foreign lands.

Meanwhile the inter-American convention marks a first, important accomplishment. In the slowly shaping mosaic of a possibly happier world of better understanding and freer interchange among peoples, it is a small but colorful element.

Facsimiles of Covers of Travel Documents

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**UNITED STATES OF AMERICA**

No. 

**INTERNATIONAL DRIVING LICENSE**

Issued in accordance with the provisions of the Convention on the Regulation of Inter-American Automotive Traffic, which came into force October 29, 1946.

Issued by [NAME OF AUTHORIZED MOTORING ASSOCIATION]

At . . . . . . . . . . . . . . . . . . . . . . . .

Date . . . . . . . . . . . . . . . . . . . . . . . .

† . . . . . . . . . . . . . . . . . . . . . . . . . .

|MOTORING ASSOCIATION|

| SEAL |

†Signature of Authority or Signature of the Association empowered to issue this document.

Valid For One Year From Date Of Issue

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**UNITED STATES OF AMERICA**

No. 

**INTERNATIONAL AUTOMOBILE CERTIFICATE**

Issued in accordance with the provisions of the Convention on the Regulation of Inter-American Automotive Traffic, which came into force October 29, 1946.

Issued by [NAME OF AUTHORIZED MOTORING ASSOCIATION]

At . . . . . . . . . . . . . . . . . . . . . . . .

Date . . . . . . . . . . . . . . . . . . . . . . . .

† . . . . . . . . . . . . . . . . . . . . . . . . . .

|MOTORING ASSOCIATION|

| SEAL |

†Signature of Authority or Signature of the Association empowered to issue this document.

Valid For One Year From Date Of Issue
THE UNITED NATIONS AND SPECIALIZED AGENCIES

"A World-Wide Humanitarian Problem"

BY LOUIS KEPLER HYDE, JR. 1

Adviser to U.S. Representative in ECOSOC

I

In what is probably the best poster on the United Nations, a tree with leaves consisting of the flags of all the member nations is being planted by the great hand of a gardener who is otherwise unseen. It is a very small tree, but it has good roots and looks as though it can grow if well cultivated. There have been comments to the effect that the United Nations is nothing but a "debating society and not a very good one at that". It may not be realized that practical, constructive action is already being taken by the United Nations in social and economic fields. After all, to transplant trees to new and unfamiliar conditions, you must cut them back and prune them. It takes them a while to start growing again. That is also true of any effort "to transplant social organisms from the world of individual and group relations to the world of international relations". Tonight I would like to point out to you a few signs which indicate that the United Nations tree has started to grow. And this will undeniably lead us into consideration of "a world-wide humanitarian problem".

II

What newspaper headlines about the United Nations come to your mind first? Do you think at once of a spectacular mid-Atlantic rescue by the U.S. Coast Guard cutter Bibb when this weather ship picked up 69 airplane passengers from the Bermuda Sky Queen in heavy October seas? Probably not, but that rescue was made possible by the International Civil Aviation Organization, one of the agencies of the United Nations, which has set up a cordon of specially equipped weather ships which also provide for navigation aids and for search and rescue. Countries besides ourselves who are responsible for operating this system of weather ships in the North Atlantic are Belgium, Canada, Netherlands, and Great Britain. The former head of Search and Rescue for the North Atlantic Division of the U.S. Air Transport Command described the Bibb’s feat as the "greatest ocean rescue in history", adding that this was a planned and orderly operation carried out by an organized rescue service. With the aid of a directional radio broadcast from the Bibb, the Sky Queen “ditched” within three miles of this ocean weather station and then taxied to the ship. Water temperatures were so low that anyone submerged could have remained alive for hardly an hour. Seas were rough and the wind and swell came from different directions, preventing the use of oil to quiet the waves. The ship revolved around the aircraft at three-quarter speed in a tight turn, quieting the sea so that life rafts could be launched. Danger of damage to the aircraft’s hull made it impossible to use lifeboats. On the Bibb there was a large dispensary and a medical staff capable of providing comfortable quarters for all those who were rescued.

This was a United Nations headline, but did you think of it when I asked the question just now? Another headline has told about the cholera epidemic in Egypt. But did you know that the interim commission of the World Health Organization, another associated agency of the United Nations, managed to fly an immense amount of serum to Cairo in an incredibly short time—6,000,000 units in a single month—which was all the cholera vaccine in stock in a dozen countries, including the United States? To the credit not only of the Health Organization but the Egyptian Government, the cholera epidemic is now dying out fast after 10,000 deaths. Never has such

1 An address delivered before the Connecticut Conference of Social Work in Waterbury, Conn., on Nov. 13, 1947.
THE UNITED NATIONS AND SPECIALIZED AGENCIES

an epidemic been so quickly aborted. But for timely help, deaths might have already mounted to 30,000 or 40,000. Most important, the epidemic has not spread to any other area. Although an advisory agency, the World Health Organization’s commission actually procured the supply of vaccine itself in order to speed the shipments, confident that funds thus expended would be quickly repaid for such an act of mercy. Incidentally, the cholera epidemic has coincided with the pilgrimage season, and under the terms of an international agreement Egypt has stopped all pilgrimages to Mecca, where pilgrims kiss the sacred relics. Many epidemics of the past have been associated with pilgrimages. A WHO commission report concludes: “It is considered that this is an outstanding example of full international cooperation on a large scale and in the shortest possible space of elapsed time.”

Another headline: “Malaria extinguished in Greece”. That is an achievement marked up during the past year as an accomplishment of an international health mission. Given time and money, tuberculosis could also be eliminated in Greece. With modern medical knowledge and international organization, typhus and malaria and other diseases could be stamped out altogether in all parts of the world, but at considerable expense. Many people in Greece were not so sick that they were in bed, but a day’s work of theirs was hardly worth an hour’s of a healthy man. Possibly the improvement of the health of the Greek people will be equally important along with the rebuilding of railways and bridges as a way to promote the social and economic recovery of Greece, in the sense that elimination of malaria and tuberculosis can replace inefficiency with drive, and misery with self-respect.

Another headline: “Newfoundland gives a hundred thousand dollars’ worth of cod-liver oil to the United Nations International Children’s Emergency Fund”. The Fund’s resources now exceed $30,000,000. Another contribution, from Norway, came last month in the form of a thousand barrels of cod-liver oil. Fish oils are urgently needed by the vitamin-starved children of Europe. These supplies are being shipped to 4,000,000 children and nursing mothers in 12 European countries and China. Present finances from governments are to be reinforced by voluntary contributions through a campaign in many countries next February under the banner of the “United Nations Appeal for Children”.

Did you know that the commission of the World Health Organization, working with the United Nations Food and Agriculture Organization, has set international standards for the feeding of children under the particular emergency conditions encountered in devastated areas? As a result of this cooperative work, dry milk and fish oils are being emphasized in the food shipments being made by the Children’s Fund to provide daily a supplementary meal of 300 calories for children in distress areas. Under this program, 16,000,000 pounds of dry milk and a million and a half pounds of fish oil and other fats so far have actually gone forward to Europe and China, and the children of nine countries are already receiving this protective food.

Another headline: “New synthetic drug threatens breakdown of international narcotics control.” Did you know that the United Nations, through its Commission on Narcotic Drugs and the Health Organization, has taken measures to bring under control the new synthetic drug amidone, which is a habit-forming drug probably as devastating in its effects as opium derivatives; which can be manufactured so readily that a single factory in this country could turn out a supply which would flood world channels? Through the Economic and Social Council, the United Nations is in the course of arranging an international agreement to bind all signatories in regard to the manufacture of amidone and other synthetic drugs. Without the centralizing machinery of the United Nations, such an agreement would be difficult and dangerously tedious to obtain.

This narcotics work of the United Nations continues one of the most successful activities of the League of Nations—namely, international control of narcotic drugs. It is part of an efficient system which includes the Permanent Central Opium Board, the Narcotics Supervisory Body, and the Health Organization’s international expert committee on habit-forming drugs, which last-named group is a kind of international technical referee to rule on what is or is not a habit-forming drug.

III

It is surprising how the problems I have mentioned, and many others, melt together into the one great humanitarian problem which has been
assigned as the work of the United Nations Economic and Social Council. Note that in the rescue at sea, the Bermuda Sky Queen was guided to the weather ship by a directional radio beam. Radio communication comes within the field of the International Telecommunication Union, another United Nations agency. Of course, the weather ships established by the Aviation Organization can be useful also for ocean liners and freighters on the high seas. Close working relations are therefore required between the Aviation Organization, the International Telecommunication Union, and the international maritime authorities. These combine in the field of “safety of life at sea”, on which an international conference is scheduled next spring. Harmonious cooperation between the Health Organization and the Food and Agriculture Organization has marked the Greek recovery program. Again, the work of these two agencies is knitted together with the special operations of the Children's Fund. The direct relation between the Narcotics Commission of the United Nations and the Health Organization is almost too obvious to mention.

The Economic and Social Council is devoted to nothing less than the task of creating enough international good-will and cooperation to solve the economic and social ills of the world. That might be called the world-wide humanitarian problem. Those of you who have been working in public welfare understand about the tremendous amount of time and often thankless effort that go into the accomplishment of even a relatively small reform in one city of the United States. But the United Nations Charter defines the task of the Council as follows:

... the United Nations shall promote:

a. higher standards of living, full employment, and conditions of economic and social progress and development;
b. solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and
c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

Under a United Nations fellowship program in the social-welfare field, 76 international students are already at work here and in other countries—studying in Belgium, Canada, Denmark, France, Sweden, Switzerland, and Great Britain. They come from Austria, China, Czechoslovakia, Finland, Greece, Philippines, Poland, and Yugoslavia. Others are on their way from Albania to study in Czechoslovakia. The largest number are studying child welfare, including maternal and child care, child guidance and welfare, and juvenile delinquency. Many are also interested in learning the new techniques of vocational rehabilitation, including physical rehabilitation and the manufacture of prosthetic devices. Others are studying general welfare, including administration, while several are concentrating in each of the following fields: social insurance, employment service, social aspects of health, and public assistance. In the aggregate, a considerable number are learning about social research, social-welfare training, industrial welfare, community organization, welfare legislation, social aspects of housing, vocational guidance, and psychiatric social work.

What happens when a student in this program lands in a certain country for study—say, in the United States? A government agency arranges for placement. In the United States this is the Federal Security Agency. In Canada it is the Department of Health and Welfare. The fellowship students must speak the language of the country of their choice, because, I am told, in social-welfare work talk is very important, and the students must not miss the fine shades of meaning.

First comes a brief period of orientation. In the United States this, as it happens, takes place at Lake Success because it is a convenient starting point with an international atmosphere. Students are told how to handle the unfamiliar currency, travel vouchers, etc. After perhaps a brief preliminary visit to social-welfare agencies in New York City, they go to Washington where the Federal Security Agency affords them a bird’s-eye view of the organization of social work in the United States, as handled by the various Government units and by private agencies. According to the interest of each student, a particular bureau is given prime responsibility—for instance, the Children’s Bureau of the Federal Security Agency would supervise the planning of work for a student interested in child welfare.

The second main step is a series of studies in the departments of welfare in different States. It happens that one student has been working in Connecticut in the field of juvenile delinquency.
The work of the fellows is made the subject of monthly reports by them, including their observations and evaluation of their experiences, and a copy goes to their governments.

Someone asked how the rough-and-ready social-welfare work which is required in devastated areas and underdeveloped countries, from which many of the fellows come, can be based on studies in a "sophisticated" kind of welfare technique such as practiced in the cities of the United States. Realizing that the Republic of the Philippines, for example, is facing its first task in the rehabilitation of wounded veterans on a large scale, under most difficult conditions, United Nations authorities have made an effort to show what is being done by our so-called backward services in this country, where these are most pertinent. Some of the students have been sent to the Tennessee and Kentucky mountains and to rural areas in North Carolina in order to learn "how to do something with nothing." Here they see welfare work being done under conditions of poor resources and great need. But care is also taken that the fellows learn about the more advanced services that we have developed, so that they will have something for the longer pull.

In a program of educational reconstruction in Europe and Asia, the United Nations Educational, Scientific and Cultural Organization, another specialized agency, is setting up educational fellowships, so that when schools, libraries, museums, radio stations, and laboratories are rebuilt there will not be a hopeless lack of the kind of people who can make the brick and stone into living forces for development of their countries and for the promotion of international understanding.

A world health fellowship program already has sent nearly 200 research scholars to this country and Europe—to Sweden, Switzerland, Norway, and Denmark. The students here are from Austria, China, Czechoslovakia, Finland, Greece, Korea, Philippines, Poland, and Yugoslavia. As with the social-welfare fellowships, the money for this program largely comes from funds left in UNRRA. The course of studies takes from three months to a year. Traveling scholars receive $300 a month, plus transportation costs and fees. Of prime importance is the ministry of health or similar government department in each country. But the program is correlated with private agencies, such as the Rockefeller Foundation.

According to the World Health Organization, the major disease of the world today is malnutrition. The Director General of the Food and Agriculture Organization told the United Nations General Assembly last month that: "The number of people in Europe and Asia who will die from the direct or indirect effects of food shortage in the next 12 months will be greater than the number who were killed in the fighting or in the bombing in any year of the war."

What is being done about this desperate situation? First, the Food and Agriculture Organization has collected, appraised, and disseminated the basic information necessary for taking what international action has been possible during the past year. Second, the FAO has sent technical missions to Europe, Asia, and Latin America to help countries help themselves. Their careful, concrete recommendations are being carried out through cooperation with the Economic and Social Council and other specialized agencies of the United Nations. The first FAO mission was to Greece. Its findings and recommendations included measures for the reorganization of central agricultural administration, provision for agricultural experiment stations, research and training in veterinary medicine, improved methods for applying fertilizers, soil conservation, agricultural extension work, research and education in home economics, agricultural banking and credit, as well as measures for reforestation, forestry administration and research, fisheries, development of small industries such as...
agricultural processing plants, and other local industry suitable to particular conditions, and the use of resources in relation to the prevalent stage of technical development.

Third, the Food and Agriculture Organization undertook some time ago to continue and expand the work of rural rehabilitation begun by UNRRA in the Balkans. This includes direction of the construction of small agricultural processing plants, such as those in Greece, and of fertilizer factories, the establishment of veterinary services, and guidance in the use of farm machinery. It is a “grass roots” program—something like our own system in its use of agricultural extension agents.

Fourth, the Food Organization sent a mission to Poland last summer to arrange measures for adapting Poland's agricultural production, based on small landholdings, to the country's local needs and to future export possibilities. Crop husbandry, livestock husbandry, marketing, preservation of perishable products, preservation of trees for soil protection and for timber supplies, as well as various aspects of agricultural economics were subjects of the mission's work. Again, a 10-nation special Rice Study Group organized by FAO worked in India last summer. An FAO mission has been planned for Siam and another to go to several Latin American republics. Last month a group left FAO headquarters in Washington to follow up on a trip taken by Sir John Boyd Orr, the Director General, to Latin America last spring. This group includes experts from Honduras, Ecuador, and Costa Rica.

What has this to do with the broad humanitarian problem of world recovery and international peace? Ambassador Herschel Johnson, the Deputy U. S. Representative on the Security Council, pointed out recently that the mission of the Food and Agriculture Organization to Greece provided a basic guide for the later well-known program of Greek rehabilitation. “Among these recommendations was the suggestion that the Greek Government request a direct loan or grant from the United States to meet its emergency economic problems and to put the country in a sound position to secure a long-term loan from the International Bank for Reconstruction and Development. That request was made, the United States responded to it, and the Greek Government has indicated its readiness to take the steps recommended to put its economic house in order.”

Any picture of United Nations humanitarian work would be incomplete without a word about refugees and displaced persons. The backwash of the war revealed about 8,000,000 people stranded as refugees or displaced persons. All but a million or so of these have been repatriated in their own countries or resettled elsewhere. Of these about 750,000 are in special camps for displaced persons. About 200,000 are Jewish.

Since the liquidation of UNRRA, the preparatory commission of the International Refugee Organization has assumed the operating responsibility for the care and maintenance, legal protection, repatriation, and resettlement of this “hard core” of refugees. Supplies for maintenance are provided partly from local resources and partly out of IRO international shipments.

The ration is about 2,000 calories a day in the German camps and about 1,550 in Austria. The IRO is really the welfare department for the relief and care of alien refugees and displaced persons, while the German agencies deal with relief and welfare for the local German population. The military control authorities simply act in the capacity of government for maintenance of security, law, and order.

Many of these unfortunate people cannot or do not want to go back to scenes of events which they hope to forget. So it is likely that a large proportion will need to find new homes. The question of the right of asylum has arisen over them in United Nations deliberations, and we have argued against compelling them to return to their countries of origin against their will. This viewpoint has been upheld by the United Nations General Assembly.

Countries in all parts of the world have indicated a desire to take refugee workers and their families for resettlement and have backed up this expression of willingness by signing contracts for receiving about 350,000 immigrants from the displaced-person camps. This number is being frequently revised upward because of the excellent experience of the countries of adoption with the new immigrants. Unfortunately, the IRO lacks sufficient funds to resettle nearly so many. Nevertheless, definite progress is being made, since over 65,000 persons have been resettled during July, August, and September. Of particular importance is the assistance which UNRRA previously and the IRO today has found forthcoming from the voluntary agencies. Their role in supplement-
The work of official agencies can be gauged by the fact that some 1,500 of their staff members are now at work in this field in Europe.

VI

It will be noticed that the refugee work is not going ahead full-speed, for lack of finances. This is because not enough nations have ratified the IRO constitution to meet the conditions for full operation set by the General Assembly last December. At least 15 nations pledging 75 percent of budget contributions must have ratified the constitution before funds will be freely available. With only 11 ratifications, totaling 70 percent of the proposed budget, we have not quite reached that mark, and the program is in jeopardy. Meanwhile a few nations are advancing funds against their budgeted quotas, voluntarily rather than officially. At best, the entire budget will be small for the job to be done, and a great deal of improvisation will be required. Some solution to this humanitarian problem must be worked out over the next few years to remove a source of misery and despair and friction from the postwar world. Not only the IRO, which is designed to be a temporary agency, but also the World Health Organization has failed to come into full operation because of a lack of sufficient memberships to bring the constitution into force. Action by a number of countries, including our own Government in the case of the Health Organization, must be forthcoming within the next few months to remedy this serious handicap.

What is the world-wide cost of all this work, and what is the United States share? The United Nations organization itself operates on an annual budget of about $30,000,000. The budgets of the Food and Agriculture Organization, the World Health Organization, the International Labor Organization, the International Civil Aviation Organization, UNESCO, the Universal Postal Union, and the International Telecommunication Union altogether amount to another $22,000,000. That is a total for the United Nations and these associated agencies of a little over $50,000,000. The United States share of this ranges from about 16 percent in the case of the International Labor Organization to 44 percent in the case of UNESCO. Our quota of the United Nations budget is a trifle under 40 percent. Our average share in them all runs about 37 percent—roughly $20,000,000 a year. The annual appropriations for our own War and Navy Departments are 500 times bigger than our share of the budget of the United Nations plus all the agencies I have just mentioned. Nevertheless, the United Nations is a much bigger insurance policy for peace than the world has ever taken out before.

VII

An enormous amount of documentation has been accumulating through United Nations social and economic activity. It deals with practical, everyday matters touching on people in all countries. If this wealth of material is well used—along with the experience that is fast being gained—a great many different kinds of steps can be taken internationally which will affect people in their local communities throughout the world. By using international channels in the scientific field, and by an almost inconceivable amount of concentration and coordination of effort on the part of experts in several countries, the Allies engineered the atom bomb. Someone has figured that one brilliant scientist, working on the project alone, might have found the answer in 15,000,000 years. Perhaps social and economic engineers, taking their cue from this experience and working together through the United Nations channels, can gradually close the gap between science and the humanities about which we hear so much.

As for our part as United States citizens in the humanitarian work of the United Nations, I think we must not just ask idly if the United Nations is going to “succeed”, but we must try to interpret intelligently our responsibility for promoting a will to peace—international good-will. In the very difficult context of the present time, we must seek clarification and reasonable solutions for our human problems, with full realization of their difficulty. We must understand that today the future of the United Nations and the future of world peace are one and the same thing. A great distinguishing mark of the Christian era and of the ideals of our country has been a quality of humaneness. To you who work in the fields of health and social welfare, I need not enlarge on this idea.
You have seen evidence of the important part being played by citizens and agencies of the United States in the social and economic work of the United Nations. In the enormous European recovery program itself, along with our general self-interest and our economic stake there is an element of plain humanity. To quote the President’s Committee on Foreign Aid: “...it is well to bear in mind that success depends on giving way neither to over-optimism or to undue pessimism... The immediate months and indeed years ahead are not apt to be easy either for this country or for the European nations. It is not wise to underestimate the steepness of the climb... yet... who will say that, if we apply to the making of the peace the same spirit which triumphed in war, we may not see an equally dramatic vindication of the ideals and principles of free men everywhere?"

Guided by our heritage of freedom and common humanity, I think we will be richly rewarded if we cultivate the United Nations tree of life and so keep green the hope that somehow, some day, all of us together will solve the "world-wide humanitarian problem".

Proposal for a Declaration of Human Rights

STATEMENT ON U.S. PROPOSAL

[Released to the press November 30]

Mrs. Franklin D. Roosevelt, United States Representative on the United Nations Commission on Human Rights, which is holding its second session in Geneva, Switzerland, December 1-19, 1947, has presented a United States proposal for a declaration of human rights (text appended).

This proposed declaration is intended as an international bill of rights to be approved in September 1948 by the General Assembly of the United Nations. It is a statement of the aspirations of the peoples of the world for rights and freedoms. It will not involve a contractual obligation of governments or of the United Nations to guarantee the human rights set forth in the declaration.

The United States proposal is modeled after the Bill of Rights of our own Constitution. It includes the traditional American freedoms of speech, religion, petition, and assembly, as well as safeguards for persons accused of crime. In addition, it sets forth newer rights, such as freedom of information and social security. The 10 articles are short enough for school children everywhere to learn. Even though all these rights are not immediately attainable by everyone everywhere in the world, they are included on the theory that they are fundamental and should be the rights of every individual.

The General Assembly, at the second part of the first session, December 11, 1946, directed that a bill of human rights be prepared for its approval. Such a bill would carry out the provisions of the United Nations Charter “to reaffirm faith in fundamental human rights,” and “to achieve international cooperation... in promoting and encouraging respect for human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.”

The United States proposal was developed by an interdepartmental committee which included representatives from the Departments of State, Justice, Labor, and Interior and the Federal Security Agency. It was discussed at a conference of representatives of approximately 150 nongovernmental organizations held at the Department of State on October 31, 1947, and was revised to take account of views expressed at this conference.

The United Nations Commission on Human Rights has as its principal task at this session the drafting of a bill of human rights. Its draft will be circulated to the member governments of the United Nations for their comments. The Commission on Human Rights and its drafting committee meeting in May 1948 will revise the draft in the light of these comments and submit its revised draft to the Economic and Social Council in July. The draft approved by the Economic and Social Council will be submitted to the General Assembly in September 1948.
TEXT OF PROPOSAL FOR A DECLARATION OF HUMAN RIGHTS

WHEREAS, by the Charter of the United Nations all Members affirm their faith in the dignity and worth of the human person and pledge themselves to cooperate in promoting respect for human rights and fundamental freedoms for all.

Now, therefore the General Assembly of the United Nations resolves to set forth in a solemn Declaration these essential rights and fundamental freedoms of man, and calls upon the peoples of the world to promote the rights and freedoms hereby proclaimed.

Article 1

Everyone is entitled to life, liberty, and equal protection under law.

Article 2

Everyone has the right to freedom of information, speech, and expression; to freedom of religion, conscience, and belief; to freedom of assembly and of association; and to freedom to petition his Government and the United Nations.

Article 3

No one shall be subjected to unreasonable interference with his privacy, family, home, correspondence or reputation. No one shall be arbitrarily deprived of his property.

Article 4

There shall be liberty to move freely from place to place within the State, to emigrate, and to seek asylum from persecution.

Article 5

No one shall be held in slavery or involuntary servitude. No one shall be subjected to torture, or to cruel or inhuman punishment or indignity.

Article 6

No one shall be subjected to arbitrary arrest or detention. Anyone who is arrested has the right to be promptly informed of the charges against him, and to trial within a reasonable time or to be released.

Article 7

Everyone, in the determination of his rights and obligations, is entitled to a fair hearing before an independent and impartial tribunal and to the aid of counsel. No one shall be convicted or punished for crime except after public trial pursuant to law in effect at the time of the commission of the act charged. Everyone, regardless of office or status, is subject to the rule of law.

Article 8

Everyone has the right to a nationality. Everyone has a right to take an effective part in his Government directly or through his representatives; and to participate in elections, which shall be periodic, free and by secret ballot.

Article 9

Everyone has the right to a decent living; to work and advance his well-being; to health, education and social security. There shall be equal opportunity for all to participate in the economic and cultural life of the community.

Article 10

Everyone, everywhere in the world, is entitled to the human rights and fundamental freedoms set forth in this Declaration without distinction as to race, sex, language, or religion. The full exercise of these rights requires recognition of the rights of others and protection by law of the freedom, general welfare and security of all.

Relations of Members of the United Nations With Spain

WHEREAS the Secretary-General in his annual report has informed the General Assembly of the steps taken by the States Members of the Organization in pursuance of its recommendations of 12 December 1946;

The General Assembly,

Expresses its confidence that the Security Council will exercise its responsibilities under the Charter as soon as it considers that the situation in regard to Spain so requires.

Department of State Bulletin
Resolution on Abolishing Privilege of the Veto

Convocation of a general conference under article 109 of the Charter to amend the privilege of the veto and resolution of the second part of the First Session of the General Assembly in relation to the exercise of the veto.

The General Assembly, in the exercise of its power to make recommendations relating to the powers and functions of any organs of the United Nations (Article 10 of the Charter):

Requests the Interim Committee of the General Assembly, in accordance with paragraph 2 (a) of the resolution of the General Assembly of 13 November 1947, establishing that Committee, to:

1. Consider the problem of voting in the Security Council, taking into account all proposals which have been or may be submitted by Members of the United Nations to the second session of the General Assembly or to the Interim Committee;

2. Consult with any committee which the Security Council may designate to co-operate with the Interim Committee in the study of the problem;

3. Report, with its conclusions, to the third session of the General Assembly, the report to be transmitted to the Secretary-General not later than 15 July 1948, and by the Secretary-General to the Member States and to the General Assembly;

Requests the permanent members of the Security Council to consult with one another on the problem of voting in the Security Council in order to secure agreement among them on measures to ensure the prompt and effective exercise by the Security Council of its functions.

Current United Nations Documents: A Selected Bibliography

Economic and Social Council


Trusteeship Council


Department of Public Information, Research Section


1 The United States draft resolution (U.N. doc. A/C.1/272) was put to the vote, paragraph by paragraph, by the First Committee. The preamble was adopted by 44 votes to 6, with no abstentions. The second paragraph was adopted by 35 votes to 7, with 11 abstentions. The last paragraph was adopted by 48 votes to 1, with 8 abstentions. The resolution as a whole was then adopted by the First Committee on Nov. 19, 1947, by 36 votes to 6, with 11 abstentions. The resolution as a whole (U.N. doc. A/501) was adopted at the 123 plenary meeting of the General Assembly on Nov. 21, 1947, by a vote of 38 to 6, with 11 abstentions.

2 Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

December 7, 1947
London Meeting of the Council of Foreign Ministers

**STATEMENTS BY SECRETARY MARSHALL**

**Polish-German Frontier**

At the Moscow session, the United States proposed the creation of a special boundary commission which, under the direction of the Deputies, would consider and make recommendations to the Council concerning the Polish-German frontier. On the suggestion of other members of the Council, the United States is willing to enlarge the scope of this work, which could still be undertaken under the direction of the Deputies to include a study of all frontier proposals.

With regard to the Saar, the United States supports the claim of France to the economic integration of the Saar territory. The political status of the Saar should be based, we think, on the principle of political autonomy and local self-government. I urge that at this session we approve the French proposal of economic integration of the Saar territory into that of France. After this, the details, including territorial limits, can be worked out.

With regard to the Polish-German frontier, the starting point for our consideration must be the Potsdam protocol which provided that "The final delimitation of the western frontier of Poland should await the peace settlement". Mr. Molotov presented the view that the decision regarding the western frontier has been taken. This is clearly not the case as the quotation just referred to indicates. A just settlement of this frontier, as I stated at our meeting in Moscow on April 9, 1947, requires that we give careful consideration to the needs of the populations which will be directly affected and keep equally in mind the importance of this frontier for the economic and political stability of Europe.

No line, however carefully drawn, can entirely satisfy the desires and aspirations of all the peoples concerned. We must take the broader view and seek to establish a frontier which reduces irredentist sentiment to a minimum and promises to be lasting. At the same time the frontier should not be permitted to become a barrier to economic and cultural intercourse. We believe that frontiers between nations should cease to divide and embitter, and in drawing new frontiers we should promote this objective.

I believe such a frontier is possible between Poland and Germany. Poland is justly entitled to compensation for her wartime losses, and the United States Government wishes to honor this obligation. We must bear in mind that much of the territory now under Polish administration has long been German and contains agricultural resources of vital importance to the German and European economy. In seeking to create a democratic and peaceful German state we must avoid a decision which would deny hope to the moderate forces within Germany and, by violating the principles of the Atlantic Charter to which we have all agreed, would fail to win approval in the court of enlightened world opinion. In considering cessions of territory to Poland, we should also make provision for insuring that the key industrial resources situated in these territories be made

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1 Made on Nov. 27, 1947, and released to the press in London and Washington on Nov. 28. Printed from telegraphic text.
available to the economy of Europe, including Poland and Germany.

We will have before us also consideration of a proposal by nations neighboring Germany for major rectifications.

To reach in a fair and equitable manner decision regarding all boundary claims affecting Germany, the United States recommends the constitution of one or more boundary commissions. Such commissions should be composed of representatives of the Four Powers and interested states and would work under the direction of the Deputies. They should have authority to investigate the merits of boundary proposals and to submit recommendations thereon to the Council of Foreign Ministers.

**Need for Provisional German Government**

I am not prepared this afternoon to enter into a detailed discussion regarding the statement made by Mr. Bevin with certain recommendations as to the German peace treaty, nor am I prepared to discuss either in detail or in any general way the proposal just put forward by Mr. Molotov for the Soviet Delegation. I might say this, however, that the British proposal submitted at Moscow (and I do not believe changed since then), while it gives more of a central organization for Germany than the proposal of the United States Delegation and still more than that, I believe, proposed by the French Delegation, is in general detail very much in accord with the United States proposal, and I think we can easily accept it in part, subject to modifications as to detail either by the Deputies of the Allied Control Council.

More tentatively, I will make these comments regarding the proposal just submitted by Mr. Molotov for the Soviet Delegation. I believe the first proposal, "No. 1, to recognize that the formation, etc., of a democratic government". I think we are in accord with that quite definitely. The second proposal, "No. 2, to establish that at a peace conference the German Government will be given opportunity, etc." involves the question of procedure or timing. In the main, while I think it will not be too difficult to resolve, and I will undertake to discuss it later. The third proposal labeled "No. 3, that the peace treaty should be signed by a German Government, etc." I think we are in accord with that. The fourth proposal (Mr. Molotov's fourth proposal was the peace conference will consist of representatives of Great Britain, the Soviet Union, the United States, France, China, and of the representatives of Allied countries bordering on Germany, as well as the Allied states which took part with Allied forces in the common struggle against Germany) requires much more analysis and discussion. I think there is some difference regarding the nations listed by Mr. Molotov, and there is a very great difference from the United States point of view as to those nations who declared war on Germany but are not represented in this proposal whatsoever. I will undertake later to make a formal reply both to Mr. Bevin's proposals and to Mr. Molotov's proposals.

At the moment I have only the following to add. The United States Delegation considers that the establishment of a German Government is an urgent necessity. I am repeating what I have said several times before. We have, I think, actually taken the lead in this regard. More than one year ago Mr. Byrnes at Stuttgart declared that the United States favored the establishment of a provisional government for Germany. In the course of the Moscow session of the Council of Foreign Ministers I made a statement on March 22, proposing the establishment of a provisional German government, and suggested a method for the preparation of a German constitution under which permanent government organization of the German state could be accomplished. Other delegations likewise made proposals on this subject. After exhaustive debate the Council was unable to reach an agreement, a state of affairs which was very much regretted by the United States Government. We earnestly and most sincerely desire to see a democratic government established in Germany at the earliest possible moment.

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* Bulletin of Sept. 15, 1946, p. 496.
FOREIGN AID AND RECONSTRUCTION

Factors Affecting Recovery Program in Greece

STATEMENT BY ACTING SECRETARY LOVETT

[Released to the press November 26]

Reports from the American Mission for Aid to Greece indicate that several factors affecting the success of the aid program have recently emerged which were not envisaged when the Greek aid program was presented to Congress:

1. The guerrilla warfare has resulted in the forced and planned evacuation of 310,000 refugees, who are now crowded in Salonika and other cities in the north of Greece near the guerrilla areas. These refugees are completely without source of livelihood, will not be able to produce on their own farms crops which were a part of the original Greek supply estimates, and are wholly dependent on the state for support. It is estimated that this number may increase to 500,000 by January 1.

2. Approximately one third of the Greek wheat crop was lost through the recent drought.

3. It has been necessary to allocate 9 million dollars from funds earmarked for economic purposes to increase supplies and equipment being furnished the Greek Army.

4. Increase in world prices has substantially reduced the buying power of Greek aid funds.

5. Availability of funds for Greece under the post-UNRRA relief program will be 10 million dollars less than originally planned.

The American Mission and the Department are studying carefully the probable effect of these factors on the recovery program in Greece and the possibility of meeting this emergency by reallocation of remaining Greek aid funds. This question is also being considered in connection with the participation of Greece in the European Recovery Plan.

The necessity for the Department’s requesting an additional appropriation for the present fiscal year will depend on the outcome of these studies.

Public Roads Administration To Assist in Turkish Aid Roads Program

[Released to the press November 24]

The Department of State announced on November 24 that the United States Public Roads Administration has agreed to assume responsibility, under the general supervision of Ambassador Wilson as Chief of the Aid Mission to Turkey, for the 5 million dollar road program included in the 100 million dollar grant-in-aid to Turkey.

The Public Roads Administration already has assisted a number of foreign governments in the development of their national highways, and the Department pointed out that the Roads Administration, with its long experience, should be of invaluable assistance to the Turkish Government in its national highway development program.

At the request of the Department of State, Thomas C. MacDonald, Commissioner of Public Roads, has agreed to assign to the Chief of Mission in Turkey experts in the fields of highway administration, planning, location, design, construction, materials, and maintenance and to assist in training Turkish nationals in the specific skills necessary to assure continuation of the roads program inaugurated by the Mission.

Walter Wilds, Deputy Coordinator for Aid to Greece and Turkey, arrived in Ankara November 22 to assist Ambassador Wilson in concluding a highway agreement to include the above program with officials of the Turkish Government.
FOREIGN AID AND RECONSTRUCTION

AMAG Official to Confer on Greek Aid Program

[Released to the press November 26]

The Department of State announced on November 26 that Eugene Herbert Clay, Economic Adviser to the American Mission for Aid to Greece, had returned from Athens for consultation in the Department.

Mr. Clay will be in Washington for two to three weeks for talks with Department officials on the progress and future planning of the Greek aid program and, in particular, the urgent refugee problem in northern Greece.

Albert W. Braithwaite Appointed Consultant to AMAG

The Department of State announced on November 20 the appointment of Albert W. Braithwaite, of a firm of drilling contractors, Enid, Oklahoma, as consultant to the American Mission for Aid to Greece. Mr. Braithwaite, who is an expert on well-drilling, is now en route to Greece to make a survey of drilling equipment required for development of ground-water resources in connection with the Mission’s agricultural rehabilitation program.

Although between 60 and 65 percent of Greece’s 7,500,000 population depends on agriculture for a livelihood, only about 20 percent of the country’s 50,000 square miles is arable. It is estimated, however, that productivity in such areas can be increased four or five times. The conservation of the soil and water resources is basic to the rehabilitation and development of Greek agriculture. Five million dollars of the Greek aid program funds have been budgeted for the acquisition of equipment and supplies to restore and expand small-scale irrigation projects, as a part of which subsurface water will be brought to the surface and used to increase production on individual farms in semi-arid areas. There can be a considerable expansion of dug and drilled wells without harm to the underground water supply. Mr. Braithwaite therefore will make an examination of existing and potential well sites, surveying the equipment already in Greece, including that left by UNRRA, and determining what further equipment and assistance are needed. Upon completion of this survey, the necessary equipment will be procured and shipped to Greece. Further, since Greek workers do not have the necessary knowledge to operate fast American drilling equipment, American personnel will be sent to train Greeks in handling the imported machinery. The objective is to have at least 20 equipped and trained crews of Greek workers with enough actual drilling experience to carry on the project by June 30, 1948, when the present aid program terminates.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.


A detailed summary of the administration and carrying out of U.S. relief activities in Europe and the Far East, including as appendices pertinent documents such as the relief agreements with Austria, Greece, and Italy.

December 7, 1947


Agreement Between the U.S. and Canada effected by exchange of notes signed at Washington September 3 and 27, 1946; entered into force September 27, 1946.


# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings

### Adjourned During Month of November

<table>
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<tr>
<th>Organization</th>
<th>Meeting Details</th>
<th>Location</th>
<th>Dates</th>
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<tbody>
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<td>United Nations:</td>
<td>General Assembly</td>
<td>Lake Success and Flushing Meadow.</td>
<td>Sept. 16–Nov. 29</td>
</tr>
<tr>
<td>Narcotic Drugs Supervisory Body:</td>
<td>Twenty-ninth Session</td>
<td>Geneva</td>
<td>Nov. 17–22</td>
</tr>
<tr>
<td>ECE (Economic Commission for Europe):</td>
<td>Committee on Coal</td>
<td>Geneva</td>
<td>Nov. 18–22</td>
</tr>
<tr>
<td></td>
<td>Committee on Industry and Materials</td>
<td>Geneva</td>
<td>Nov. 22–27</td>
</tr>
<tr>
<td></td>
<td>Permanent Central Opium Board</td>
<td>Geneva</td>
<td>Nov. 24–29</td>
</tr>
<tr>
<td>International Conference on Trade and Employment:</td>
<td>Second Meeting of Preparatory Committee</td>
<td>Geneva</td>
<td>Apr. 10–Oct. 30</td>
</tr>
<tr>
<td>National Exhibition and Meeting of Cartography and Optics</td>
<td></td>
<td>Florence, Italy</td>
<td>Oct. 27–Nov. 9</td>
</tr>
<tr>
<td>ILO (International Labor Organization):</td>
<td>Preparatory Regional Asian Conference</td>
<td>New Delhi</td>
<td>Oct. 27–Nov. 10</td>
</tr>
<tr>
<td>UNESCO (United Nations Educational, Scientific and Cultural Organization):</td>
<td>First Part of Fourth Session of Executive Board</td>
<td>Mexico City</td>
<td>Nov. 1–5</td>
</tr>
<tr>
<td></td>
<td>International Council of Museums: Interim General Council</td>
<td>Mexico City</td>
<td>Nov. 7–14</td>
</tr>
<tr>
<td>ICAO (International Civil Aviation Organization):</td>
<td>Special Conference on Multilateral Aviation Agreement</td>
<td>Geneva</td>
<td>Nov. 3–25</td>
</tr>
<tr>
<td>FAO (Food and Agriculture Organization):</td>
<td>First Session of the Council</td>
<td>Washington</td>
<td>Nov. 4–14</td>
</tr>
<tr>
<td>Inter-American Conference and Committee on Social Security</td>
<td></td>
<td>Rio de Janeiro</td>
<td>Nov. 10–22</td>
</tr>
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### In Session as of November 30, 1947

<table>
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<th>Organization</th>
<th>Meeting Details</th>
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<td>Military Staff Committee</td>
<td>Lake Success</td>
<td>Mar. 25–26</td>
</tr>
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<td></td>
<td>Commission on Atomic Energy</td>
<td>Lake Success</td>
<td>June 14–24</td>
</tr>
<tr>
<td></td>
<td>Commission on Conventional Armaments</td>
<td>Indonesian Territories</td>
<td>Oct. 21–24</td>
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<tr>
<td></td>
<td>Security Council’s Good Offices Committee on Indonesia</td>
<td>Lake Success</td>
<td>Nov. 17–Dec. 15</td>
</tr>
<tr>
<td></td>
<td>Ecosoc (Economic and Social Council):</td>
<td>Lake Success</td>
<td>Nov. 17–Dec. 15</td>
</tr>
<tr>
<td></td>
<td>Subcommission on Economic Development</td>
<td></td>
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<td></td>
<td>Subcommission on Protection of Minorities and Prevention of Discrimination</td>
<td></td>
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<tr>
<td></td>
<td>Trusteeship Council: Second Session</td>
<td></td>
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<tr>
<td></td>
<td>Trade and Employment Conference</td>
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<td></td>
<td>General Assembly’s Special Balkan Committee</td>
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<td></td>
<td>ECAFE (Economic Commission for Asia and the Far East)</td>
<td></td>
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</tr>
<tr>
<td>German External Property Negotiations (Safehaven):</td>
<td>With Portugal</td>
<td>Lisbon</td>
<td>Sept. 3–8</td>
</tr>
<tr>
<td></td>
<td>With Spain</td>
<td>Madrid</td>
<td>Nov. 12–18</td>
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</tbody>
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1 Prepared in the Division of International Conferences, Department of State.
2 Tentative.
### Calendar of Meetings—Continued

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<tr>
<th>Meeting Description</th>
<th>Location</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter-Allied Trade Board for Japan</td>
<td>Washington</td>
<td>Oct. 24–</td>
</tr>
<tr>
<td><strong>IARA</strong> (Inter-Allied Reparations Agency): Meetings on Conflicting Claims to German Assets</td>
<td>Brussels</td>
<td>Sept. 8–1947</td>
</tr>
<tr>
<td>Meeting of Deputies for Italian Colonial Problems</td>
<td>London</td>
<td>Nov. 6–1947</td>
</tr>
<tr>
<td>Meeting of Deputies for Germany</td>
<td>London</td>
<td>Nov. 25–1947</td>
</tr>
<tr>
<td><strong>NARBA</strong> (North American Regional Broadcasting Agreement): Meeting of Technicians</td>
<td>Habana</td>
<td>Nov. 1–1947</td>
</tr>
<tr>
<td><strong>UNESCO</strong> (United Nations Educational, Scientific and Cultural Organization): Second Session of General Conference</td>
<td>Mexico City</td>
<td>Nov. 6–1947</td>
</tr>
<tr>
<td>Fifth Meeting of Inter-American Bar Association</td>
<td>Lima</td>
<td>Nov. 25–1947</td>
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</tbody>
</table>

#### Scheduled for December 1947–February 1948

<table>
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<tr>
<th>Meeting Description</th>
<th>Location</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ICEF</strong> (International Children's Emergency Fund): Program Committee</td>
<td>Lake Success</td>
<td>Dec. 1–1948</td>
</tr>
<tr>
<td><strong>Ecosoc</strong> (Economic and Social Council):</td>
<td>Lake Success</td>
<td>Jan. 5–1948</td>
</tr>
<tr>
<td>Commission on the Status of Women</td>
<td>Geneva</td>
<td>January</td>
</tr>
<tr>
<td>Sixth Session</td>
<td>Geneva</td>
<td>Feb. 19–1948</td>
</tr>
<tr>
<td><strong>ECE</strong> (Economic Commission for Europe): Third Session</td>
<td>Geneva</td>
<td>Feb. 19–1948</td>
</tr>
<tr>
<td>International Maritime Conference</td>
<td>London</td>
<td>Dec. 2–1947</td>
</tr>
<tr>
<td>Preliminary Discussions on Treatment of German Trade-Mark Rights</td>
<td>London</td>
<td>Dec. 2–1947</td>
</tr>
<tr>
<td>Joint Maritime Commission</td>
<td>Geneva</td>
<td>Dec. 11–1948</td>
</tr>
<tr>
<td>103d Session of Governing Body</td>
<td>Trinidad</td>
<td>Dec. 8–1948</td>
</tr>
<tr>
<td>Fifth Meeting of Caribbean Commission</td>
<td>Washington</td>
<td>Dec. 8–1948</td>
</tr>
<tr>
<td><strong>International Wheat Council</strong>: 17th Session</td>
<td>Montevideo</td>
<td>Early December</td>
</tr>
<tr>
<td><strong>Arts and Handicrafts Exhibition of American Elementary School Children</strong></td>
<td>Undetermined</td>
<td>December</td>
</tr>
<tr>
<td><strong>IUBS</strong> (International Union of Biological Sciences): Symposium on “Organization of Biological Control”</td>
<td>Geneva</td>
<td>Feb. 2–3</td>
</tr>
<tr>
<td>Executive Committee</td>
<td>Habana</td>
<td>Jan. 4–1948</td>
</tr>
<tr>
<td>Third Pan American Congress of Ophthalmology</td>
<td>Caracas</td>
<td>Jan. 5–1948</td>
</tr>
<tr>
<td>Ninth Pan American Child Congress</td>
<td>Montreal</td>
<td>Jan. 13–1948</td>
</tr>
<tr>
<td>First Meeting of Provisional Frequency Board</td>
<td>Geneva or Lausanne</td>
<td>Jan. 15–1948</td>
</tr>
</tbody>
</table>

*Tentative.*

**December 7, 1947**
### Calendar of Meetings—Continued

<table>
<thead>
<tr>
<th>Event</th>
<th>Location</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ninth International Conference of American States</td>
<td>Bogotá</td>
<td>Jan. 17</td>
</tr>
<tr>
<td>WHO (World Health Organization): Committee on Administration and Finance</td>
<td>Geneva</td>
<td>Jan. 19</td>
</tr>
<tr>
<td>Fifth Session of Interim Commission</td>
<td>Geneva</td>
<td>Jan. 22</td>
</tr>
<tr>
<td>International Telecommunication Union: Meeting of Administrative Council</td>
<td>Geneva</td>
<td>Jan. 20</td>
</tr>
<tr>
<td>Special Committee To Make Recommendations for the Coordination of Safety Activities in Fields of Aviation, Meteorology, Shipping, and Telecommunications</td>
<td>London</td>
<td>Jan. 27</td>
</tr>
<tr>
<td>American International Institute for the Protection of Childhood: Meeting of International Council</td>
<td>Caracas</td>
<td>January</td>
</tr>
<tr>
<td>Sixth Pan American Railway Congress</td>
<td>Habana</td>
<td>Feb. 28</td>
</tr>
</tbody>
</table>

### International Statistical Conferences

**ARTICLE BY HENRY P. CAULFIELD, JR.**

The first opportunity in nearly 10 years for the leading statisticians of the world to get together, to exchange knowledge of new statistical methods and their applications, and to learn at first hand of official programs for international statistical development, as well as to plan their professional role in international affairs, was afforded by the international statistical conferences which were held in Washington, D. C., September 6–18, 1947.¹

The Economic and Social Council of the United Nations, recognizing the opportunity afforded by the presence in the United States during September of the world’s statistical leaders to develop and promote the statistical activities of the United Nations and its specialized agencies, decided by resolution of March 29, 1947, to convene the World Statistical Congress to meet in conjunction with the other sessions, namely, the Twenty-fifth Session of the International Statistical Institute and the First General Assembly of the Inter-American Statistical Institute, convened at the invitation of the United States Government; the Thirty-ninth Session of the Econometric Society; an organizing meeting of an International Association for Research in Income and Wealth; and business meetings of the International Union for the Scientific Investigation of Population Problems. In all, there were 58 technical and business meetings and 30 social events in which 616 registered participants took part. Some 292 participants were from the United States, and 324 were from 55 other nations.²

Declaring that “there is no substitute for facts, for clear and systematically organized facts”, Trygve Lie, Secretary-General of the United Nations, welcomed the assembled statisticians on behalf of the United Nations at the formal opening meeting and reinforced their faith in the importance of statistical work. On behalf of President Truman, who was then attending the Inter-American Conference for the Maintenance of Continental Peace and Security at Rio de Janeiro, the Sec-
secretary of Commerce, W. Averell Harriman, welcomed the participants in the conferences and conveyed the President's hope "that you men will find means of binding the world together in arrangements for the collection and free exchange of dependable economic and social information concerning all people."

Technical Programs

During the ensuing 10 days of the conferences, the technical, organizational, and reorganizational objectives were pursued. The technical meetings were of two types. The first type, comprising for the most part the meetings of the World Statistical Congress, consisted of papers and discussions which informed the participants of the organization and work of the Statistical and Population Commissions of the United Nations, of its Statistical Office and Population Division, and of the statistical activities of the specialized agencies. Papers were presented at the congress meetings, for example, on "The Development of International Demographic Statistics" and "The Comparability of National Income Statistics". Also as a part of the congress program, official statisticians of several governments presented papers on recent developments in statistical activities of their national governments. Included in other parts of the program of the conferences were similar papers designed to give practical information on present plans and procedures for the "World Census of Agriculture", to be conducted by the Food and Agriculture Organization, and "The 1950 Census of the Americas", which is being planned by an intergovernmental committee operating under the auspices of the Inter-American Statistical Institute.

Through the presentation and discussion of these and other papers, participants in the conferences became fully acquainted with the most significant developments in official international and national statistical activities. Government statisticians from most of the countries of the world now have the opportunity of taking these statistical activities into full account when pursuing their own national activities in this field.

The frontiers of statistical methodology and its scientific applications to economic, demographic, and social statistics were explored in the second type of technical meetings of the conferences. Through these meetings, which comprised the major part of the activities of the conferences, the world's leading statisticians were enabled for the first time since the 1938 session of the International Statistical Institute in Prague to become acquainted, on a first-hand basis, with the latest scientific advances in statistics. Of outstanding importance in this regard were the papers on "statistical sampling". Considerable development has taken place in this field during the last 10 years, primarily in the United Kingdom, India, and the United States. Thus the conferences have enabled statisticians from most of the countries of the world to become fully up to date in sampling theory and in its applications to various fields, such as public-opinion polling, population estimating, marketing research, and quality control. The meeting devoted to the subject of "experimental design" was also of importance from the point of view of spreading knowledge of a subject which has been developed in a few countries. The founder of this field, Ronald A. Fisher, of the United Kingdom, presented a paper on general theory; others presented papers on application of experimental design to biology and sociology.

Knowledge of concepts and methods used in the development of national-income statistics is more wide-spread than certain of the other fields discussed, but few statistical fields are of more basic importance in the development and execution of national and international economic policies. National-income statistics were included in the program of the World Statistical Congress, where the current practical developments and problems in the field were discussed. They were also subjected to penetrating scientific analysis through papers on "Recent Experiments in Social Accounting: Flexible and Dynamic Budgets", "National Income and Industrial Structure", and a paper presenting a "concept of national income applicable to countries differing significantly with respect to the role of government in the economy".

Of direct importance to current international economic affairs, although highly technical in its presentation, was a paper on the "Problems of Dollar Scarcity" given by Jan Tinbergen of the Netherlands, along with other papers on the statistics of foreign exchange and international trade.

Many other technical papers were presented...
ACTIVITIES AND DEVELOPMENTS

covering application of statistics in diverse fields, such as business control, tuberculosis control, literary production, costs of living, and population changes. In addition considerable discussion was devoted to general problems of statistical methodology.

A final word with respect to technical programs should be said of the round-table discussion meetings conducted by the Inter-American Statistical Institute. Discussion was based for the most part upon background material made available to discussion panels by the institute staff, rather than upon papers presented by individual statisticians. These discussions covered such subjects as “Statistical Training Methods and Materials in the Americas”, “Foreign Trade Statistics in the Americas”, “Industrial and Mining Statistics”, and “Educational and Cultural Statistics”.

Organization and Reorganization of Statistical Societies

Of more significance possibly for the future than the technical meetings of these conferences were the meetings concerned with the organization and reorganization of certain of the groups taking part in the conferences. It is believed by many leading statisticians and persons concerned with scientific and cultural development that the “world statistical system” that is emerging—with the United Nations at the center and with its specialized agencies as well as the statistical activities of member nations related to it—cannot be considered complete without the establishment of effective organizations for the future professional and scientific collaboration of statisticians at the international level.

Of central importance in this regard were the discussions and steps taken in the sessions of the International Statistical Institute looking toward the revision of its statutes. The institute’s biennial meetings, until the establishment of the League of Nations, provided the only opportunity for official as well as unofficial and professional international collaboration in the field of statistics. With the advent of the League, but now more clearly with the establishment of the United Nations and its specialized agencies, a change of emphasis in the role of the institute has become inevitable. However, it will continue to be the principal agency through which professional and scientific international collaboration among statisticians can take place. In this respect its relationships with the United Nations and other official international agencies will be much the same as that at the national level between a national government and its national statistical society. In keeping with this role the institute has already applied for and has been admitted to consultative status with the Economic and Social Council of the United Nations. It will work particularly with the Statistical and Population Commissions of the Council.

In charting the future role of the Institute, its members also had to take cognizance of the emergence of professional societies in specialized statistical fields, such as the Econometric Society, as well as those organized on a regional basis, such as the Inter-American Statistical Institute. The proposed revised statutes of the International Statistical Institute recognize the existence of international societies of statisticians in specialized fields as well as in regions, and they provide for the possibility of affiliation of these societies, along with national statistical societies, with the Institute. Provision has also been made for the establishment of departments of the Institute for statisticians specializing in a particular field. The proposed revised statutes will still provide for an elective membership of highly qualified statisticians in the Institute itself.

The International Statistical Institute’s recognition of the establishment of specialized and regional societies at this session was particularly important because of the organization or reorganization of a number of these societies. The International Union for the Scientific Investigation of Population Problems also took steps during the conferences to revise its statutes. It elected new officers and changed its name to the International Union for the Scientific Study of Population. Provisional statutes for the International Association for Research in Income and Wealth were formulated, and an interim council was named, which will be under the temporary chairmanship of

Newly elected officers of the International Union for the Scientific Study of Population are: president, A. Landry (France); vice presidents, A. Areia Parró (Peru), L. Bouloumi (Italy), D. V. Glass (United Kingdom), L. Hersch (Switzerland), A. J. Lotka (United States), S. Seule (Poland), Ta Chen (China); secretary treasurer, G. Mauco (France).
of Simon Kuznets of the United States. The council is expected to make plans for the first full session of the association, which will probably be held in Europe during 1948. The Econometric Society held no business meetings during the conferences. Its concern with the question of its role in international statistics, however, was expressed in a paper entitled “A Future Role for the Econometric Society in International Statistics”, by Charles F. Roos (United States), first vice president of the society.

On the periphery of the Washington sessions, and taking advantage of the attendance they attracted, two other international societies devoted to specialized fields of statistics were created: a Biometric Society, formed at Woods Hole, Massachusetts, and a society of specialists in public opinion measurement, at Williamstown, Massachusetts.

All of these societies working in specialized fields were represented at a combined meeting during the conferences at which the general problem of and plans for professional and scientific organization were discussed. Considerable interest was expressed in the possibility of affiliation with the International Statistical Institute, if and when that should be possible as a result of the adoption of its revised statutes. It is believed by many that affiliation, while giving full freedom of organization and scientific development to societies of statisticians whose interests are primarily in particular fields, will provide a means whereby methods developed in one field can more effectively be made available to those in other specialized fields.

The problem of the relationship of the Inter-American Statistical Institute, the only regional statistical society in existence, is complicated by the fact of its semi-official character. In addition to individual membership of statisticians in the institute, governments of the Western Hemisphere are also members. The institute elected new officers and transacted other business, but consideration of its future role centered more on its relationship to the Pan American Union and to the inter-American system in general. The decisions of the forthcoming conferences at Bogotá in January 1948 with respect to the further organization of the inter-American system will be of considerable importance in charting the future of this institute and its relationship to international professional and scientific statistical societies.

Much work must yet be done in the organization, reorganization, and revitalization of the professional and scientific statistical societies before they will contribute fully to the realization of a “world statistical system”. The International Statistical Institute, however, may be expected to play a leading role in the development of international statistics. Under the leadership of its president, Stuart A. Rice (Assistant Director of the United States Bureau of the Budget) and its other newly elected officers, the institute, in cooperation with societies devoted to the development of statistics in specialized fields and regions, may be expected to develop a vigorous and useful program of professional and scientific activities which will complement the work of the intergovernmental agencies in this field.

The International Statistical Conferences of 1947 set a new pattern for the cooperation of intergovernmental organizations and professional and scientific societies concerned in various ways with interrelated fields of interest. Such conferences give each the opportunity to reinforce and give direction to the appropriate role of the other. Both intergovernmental activities and scientific and cultural developments are stimulated. The United States Government, its leading statisticians, and others who contributed to the success of the conferences may be proud of this achievement in which they have taken a leading part. The benefits to the United States in the winning of friends abroad, in the scientific and statistical knowledge secured, and in the further development of friendly and peaceful international relations may be expected to accrue for years to come.

* Members of the interim council of the International Association for Research in Income and Wealth are: Simon Kuznets (United States), temporary chairman, J. R. N. Stone (United Kingdom), Colin Clark (Australia), Milton Gilbert (United States), V. K. R. V. Rao (India), J. B. D. Derksen (the Netherlands), J. Tinbergen (the Netherlands), François Perroux (France), and E. F. Lundburg (Sweden).

* Newly elected officers of the Inter-American Statistical Institute are: president, Ramon Beteta (Mexico); first vice president, Stuart A. Rice (United States); second vice president, Carlos Lleras Restrepo (Colombia); third vice president, Roberto Vergara (Chile); treasurer, M. Perez Guerrero (Venezuela); secretary general, Halbert L. Dunn (United States). M. A. Telêche de Freitas (Brazil), the retiring president of the Institute, was elected honorary president.

December 7, 1947
Objectives of Reparation Removals Program in Germany

STATEMENT BY ACTING SECRETARY LOVETT

[Released to the press November 26]

During past weeks there have been a number of statements appearing in the press which allege that the program for dismantling German plants under the revised level-of-industry plan for the bizonal area conflicts with the objectives of the European Recovery Plan and increases the cost of foreign aid to be borne by the United States. It has been argued that Germany could in the near future produce from these plants products which are urgently needed by other European countries and, in addition, that the dismantling program diverts substantial amounts of German labor and materials from productive use. Furthermore, it is stated that the level-of-industry plan places a permanent and low ceiling over the future German standard of living and that severe unemployment will result.

These arguments are not supported by the facts. The basic purpose of the removal program is to transfer as reparations to countries which suffered war damage excess productive capacity in Germany. The full use of all existing capacity in Germany is prevented by shortages of food, fuel, and raw materials. These shortages are worldwide and are likely to persist throughout the period of the European Recovery Program. The only way by which Germany could use its total industrial capacity would be to grant her absolute priority over other European countries in the allocation of these scarce materials. Such action is, of course, completely undesirable, and it is expected that the utmost German effort will be required to attain even by 1951 the volume of output in the bizonal area envisaged by the revised level-of-industry plan.

Furthermore, at the present time capital removals are the only form in which Germany can pay even partial reparation for the damage inflicted upon her victims. The contemplated removals in large part represent transfers of plants which were established in connection with the German war machine and which have been determined by the United States and United Kingdom authorities in Germany to be unnecessary for the German peacetime economy. Other countries, in large part because of German destruction, urgently need this equipment, and it could not be procured elsewhere, or, if available, could only be procured by the use of dollar credits. The usefulness of such equipment to the recipient countries is amply evidenced by the eagerness with which the member nations of the Inter-Allied Reparation Agency seek to secure it.

Rather than serving as a drain upon the United States through increased financial assistance to other European countries, the removal program will tend to have the opposite effect of lessening this burden. This will result not only from the partial fulfillment of capital requirements but also through the products manufactured, as this equipment is integrated into the productive facilities of the recipient countries.

The revised level-of-industry plan does not permanently limit German production and the German standard of living. The capacity which is to be transferred under the removal program would, as indicated before, remain idle in Germany during the next few years, if not removed, and continue to deteriorate. Within whatever limits may finally be determined with regard to security against future aggression, Germany will be free to expand production, and thus there is no permanent productive ceiling to cause unemployment.

The amount of labor and materials required to dismantle and ship reparation plants is relatively negligible, when weighed against the other advantages of the program. The chief raw material used is low-grade lumber, of which supplies in Germany are ample. Only a few tens of thousands of workers, largely unskilled, are employed in the dismantling program, and many of these have thus far been drawn from the ranks of displaced persons in Germany.


**Benefits From Mutual Trade Concessions**

*Statement by Acting Secretary Lovett*

(Released to the press November 26)

Fears have been expressed that the concessions made under the general agreement on tariffs and trade, authenticated at Geneva October 30 and announced by the Secretary-General of the United Nations on November 18, will bring injury to United States industry, agriculture, or labor. The experts are confident that this will not be the case but that the mutual concessions given and received will bring great and lasting benefits to the people of the United States. The Department feels that the ties of economic friendship and cooperation between the nations which are parties to this agreement will be strengthened by it.

The tariff concessions made by the United States were made under the authority conferred upon the President by the Trade Agreements Act and were formulated according to the procedures and requirements of that act and of Executive Order 9832 of February 25, 1947.

The Executive order made mandatory the previous commitments of the interdepartmental trade-agreements organization to include a safeguarding clause providing that, if, through unforeseen developments, imports of concession items enter in increased quantities and under such conditions as to cause, or threaten to cause, serious injury to domestic producers of like or similar products, either party to the agreement may withdraw or modify such concession. The Tariff Commission, a long-established bipartisan agency, was made responsible for investigations and recommendations under the safeguarding clause.

The President, at the time of issuing his Executive order, said of the provisions:

“They simply make assurance doubly sure that American interests will be properly safeguarded.”

**Time Extended for Filing Tax Returns in Bulgaria**

(Released to the press November 25)

The Department of State has been informed by the American Legation at Sofia that a decision of the Council of Ministers published in the Bulgarian Official Gazette of November 14 further postpones the final date for submission of declarations under the capital-levy tax law from October 31 to December 31, 1947, for persons residing outside Bulgaria. The decision also requires such persons to pay the first one third of their tax by the same date.

As indicated in the Department's previous announcements regarding this tax, assets, including real property, bank accounts, securities, etc., in Bulgaria are subject to the tax. The Department has also been informed that the Bulgarian Legation, 2841 McGill Terrace NW., Washington, D.C., is authorized to accept returns.

**Procedure for Filing War Claims in Burma**

(Released to the press November 19)

The Department of State has been informed that claims for war damage to American property in Burma may be registered with the Burma War Damage Claims Commission, an agency of the Government of Burma. Claims not already filed should be submitted to the American Embassy at Rangoon for transmittal to the Commission.

The terms of reference of the Commission state that registration may be made of damage to immovable and movable property and, in certain cases, of losses of goods in Burma arising from war circumstances during the period between December 8, 1941, and March 31, 1946. The phrase “damage arising from war circumstances” is broadly defined. It includes, for example, damage caused by measures taken under proper authority for the purpose of denying or diminishing the use of the land and goods to the enemy.

Registration is being made to assist the Government of Burma in reaching decisions as to the extent of the liability to be assumed in respect of the various categories of claims and, if necessary, to determine the priority in which claims should be met. The consideration and assessment of claims does not commit the Government of Burma to the payment of compensation except in cases of claims admissible under existing law.

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1. Federal Register 1363.
THE RECORD OF THE WEEK

Procedure for Filing Claims for.Property
Lost in Netherlands Indies

[Released to the press November 25]

The Department of State has been informed that applications for the recovery of identifiable property which was removed, or is presumed to have been removed, from the Netherlands Indies by Japanese forces during the war should be submitted to the Raad voor Oorlogsschade (Board for War Damage), Koningsplein West 2, Batavia, Java. That Board undertakes to forward such applications to the Netherlands Military Mission at Tokyo for presentation to the Supreme Commander for the Allied Powers. This procedure has been adopted to implement the principle, established by the Far Eastern Commission, that looted property which is discovered in Japan will be delivered to the government of the country from which it was removed for ultimate return to the original owner.

By virtue of the ordinance for juridical restoration published in Staatsblad 1947, no. 70, forced transfers of property which took place in the Netherlands Indies during the Japanese occupation may be declared void or may be modified. Requests for such action which may involve either real or personal property must be submitted by or on behalf of the person concerned to the Raad voor het Rechtsherstel in Nederlands Indië. Such requests should be well grounded and must be supported by documentary evidence. This procedure is available to all claimants excepting those of enemy nationality. No time limit has as yet been fixed, but December 31, 1947, is being considered as the ultimate date on which claims of this nature must be presented.

THE DEPARTMENT

Departmental Regulations

297.1 Editing of the documentary record of the foreign relations of the United States: (Effective 10-27-47)

I Scope of Documentation. The publications entitled Foreign Relations of the United States constitute the official published record of United States foreign policy. These volumes include all papers relating to major policies and decisions of the Department in the matter of foreign relations, together with appropriate materials concerning the events and facts which contributed to the formulation of such decisions or policies.

II Responsibility of the Division of Historical Policy Research (RE). The responsibility for editing the basic documentary record of American foreign policy in Foreign Relations of the United States is vested in RE.

III Completeness of Record.

A It is assumed that the documentation will be substantially complete as regards the files of the Department. Within these limits, certain omissions of documents or parts of documents are permissible:

1 To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.
2 To condense the record and avoid repetition of needless details.
3 To preserve the confidence reposed in the Department by other governments and by individuals.
4 To avoid needless offense to other nationalities or individuals.
5 To eliminate personal opinions presented in despatches and not acted upon by the Department. To this there is one qualification—In connection with major decisions it is desirable, where possible, to show the alternatives presented to the Department when the decision was made.

B No deletions shall be made without clearly indicating the place in the text where the deletion occurs.

IV Clearance To Be Obtained by RE. In discharging its responsibility for selecting materials for publication in Foreign Relations of the United States, RE shall:

A Refer to the appropriate policy offices such papers as would appear to require policy clearance.
B Refer to the appropriate foreign governments requests for permission to print certain documents originating with them which it is desired to publish as part of the diplomatic correspondence of the United States. Without such permission the documents in question will not be used.

V Responsibility of the Division of Publications (PB). The Division of Publications (PB) shall:

A Proofread and edit the copy.
B Prepare lists of papers and indexes.
C Arrange for distribution of printed copies.

Appointment of Officers

Frank G. Wisner as Deputy to the Assistant Secretary for occupied areas, effective November 10, 1947.
Edward E. Hunt as Chief of the Division of Protective Services, Office of Controls, effective November 16, 1947.
The Department Permits Seven Dismissed Employees To Resign Without Prejudice

On June 23, 1947, the Department of State dismissed 10 employees on the grounds that their continued employment constituted a security risk.

The Department's action was based upon highly classified material which it could not reveal in detail to the employees. The employees were, however, permitted to make whatever statements they wished for their records.

The files on the employees were reviewed by the Department's Personnel Security Board after that board was established on July 9, 1947. On the basis of this review, the board recommended to the Secretary that 3 of the 10 employees should be permitted to resign without prejudice. The board's recommendation was followed.

In its order establishing the board, the Department stated that employees dismissed for security reasons were to have the right of appeal. The Department has reiterated that this right of appeal is fundamental; that without this right the employee cannot be safeguarded from possible injustice.

The statute under which the Department dismissed the employees provided one channel of appeal. The Civil Service Commission was specifically charged with reviewing the cases of employees who sought employment elsewhere in the Federal Government. A number of the dismissed employees have pointed out that this remedy is not available to them because they do not seek employment elsewhere in the Government.

The Department informally requested the Loyalty Review Board to accept jurisdiction on appeal of the former employees dismissed by the Department. On November 15, 1947, the Department ascertained that the newly appointed Loyalty Review Board in the Civil Service Commission would have jurisdiction only in those cases arising under procedures specified in Executive Order 9835, which established the Board. The Department of State, together with several other highly sensitive agencies, is specifically exempted from these procedures, and they were not followed in the cases at issue.

In view of that determination, the dismissed employees have no way to appeal the Department's findings in their cases.

Seven of the former employees have requested that they be permitted to resign if no appeal is possible.

In as much as the only remedy presently available to these employees (that of obtaining clearance for employment elsewhere in the Federal Government) is not effective because they do not intend to seek such employment, the Department has concluded that in order to avoid a possible injustice to them, they should be permitted to resign without prejudice.

Furthermore, in view of the great importance which the Department attaches to the right of appeal for its employees, it is taking all steps to insure that its employees will have the right of appeal to the Loyalty Review Board in the future.

Letters of Credence

Dominican Republic

The newly appointed Ambassador of the Dominican Republic, Luis Francisco Thomen, presented his credentials to the President on November 18. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 914 of November 18, 1947.

THE FOREIGN SERVICE

Consular Offices

The American Consulate at Nuevitas, Cuba, was moved to Camagüey, effective December 1, 1947.
The Council of Foreign Ministers

London Meeting of the Council of Foreign Ministers. Statements by Secretary Marshall:
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- Need for Provisional German Government

The United Nations and Specialized Agencies

"A World-Wide Humanitarian Problem". Proposal for a Declaration of Human Rights:
- Statement on U.S. Proposal
- Text of Proposal for a Declaration of Human Rights
- Relations of Members of the United Nations With Spain
- Resolution on Abolishing Privilege of the Veto
- U.N. Documents: A Selected Bibliography
- International Statistical Conferences. Article by Henry P. Caulfield, Jr.

Foreign Aid and Reconstruction

Factors Affecting Recovery Program in Greece. Statement by Acting Secretary Lovett
- Public Roads Administration To Assist in Turkish Aid Roads Program
- AMAG Official To Confer on Greek Aid Program
- Albert W. Braithwaite Appointed Consultant to AMAG

Economic Affairs

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Economic Affairs—Continued

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- Procedure for Filing Claims for Property Lost in Netherlands Indies

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Objectives of Reparation Removals Program in Germany. Statement by Acting Secretary Lovett

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Publications

Department of State

Contributors

H. H. Kelly, author of the article on international motor travel, is Assistant Director of the Office of Transport and Communications, Department of State.

Henry P. Caulfield, Jr., author of the article on the international statistical conferences, is in the Division of Statistical Standards, Bureau of the Budget; Mr. Caulfield served as executive secretary and treasurer for the Joint arrangements committee for the conferences.
THE GENERAL ASSEMBLY AND THE PROBLEM OF GREECE
The Department of State bulletin

**Vol. XVII, No. 440A • Publication 2986**

**Near Eastern Series 12**

**December 7, 1947**

**SUPPLEMENT**

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
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On October 21, 1947, the General Assembly of the United Nations, by a vote of 40 to 6, with 11 abstentions, established a Special Balkan Committee for the purpose of continuing the work of the Commission of Investigation Concerning Greek Frontier Incidents and of attempting to find a solution of the Greek problem.

In September 1947 the Department of State published The United Nations and the Problem of Greece which told the story of the Commission of Investigation and of the deliberations of the Security Council concerning the recommendations of the Commission. This special supplement to the Department of State Bulletin reviews the discussions and recommendations of the General Assembly concerning the Greek problem; it also analyzes the evidence which came before the Subsidiary Group of the Commission of Investigation and which outlines in some detail the nature of the assistance that Albania, Bulgaria, and Yugoslavia have been giving to the Greek guerrillas.

This material has been prepared by Harry N. Howard, Special Assistant in the Division of Greek, Turkish, and Iranian Affairs, Department of State. Dr. Howard served as an Adviser to the United States Delegation on the Commission of Investigation Concerning Greek Frontier Incidents and is at present a member of the United States Delegation on the Special Balkan Committee.
Reference of the Greek Problem to the General Assembly

Following the Soviet veto on August 19, it was clear that the Security Council would be unable to reach any decision as to the Greek problem. For this reason the United States on August 20, 1947, referred the problem of “Threats to the political independence and territorial integrity of Greece” to the General Assembly.

That the question was of a serious character was indicated by the Secretary of State, in his address of September 14, the eve of the opening of the General Assembly, before the American Association for the United Nations. Touching on the Greek problem, he said:

... there are serious matters in the political and security field which require prompt action by the Assembly. We are particularly concerned with the aid and assistance which are being provided by Yugoslavia, Bulgaria, and Albania to the guerrillas in Greece—a direct threat to the territorial integrity and political independence of that country. We seek nothing in that situation but the protection of the Greek people which is their due under the Charter. We have no interest beyond the pacification of that troublesome area. The solution must be the cessation of the threat—and we earnestly hope that the General Assembly will be able to devise means for accomplishing that end.

On September 15, the Deputy United States Representative at the Seat of the United Nations, Herschel V. Johnson, introduced a resolution in the Security Council, according to which that body would request the General Assembly to consider the dispute between Greece on the one hand and Albania, Yugoslavia, and Bulgaria on the other hand and to make recommendations which it might deem appropriate. Mr. Johnson pointed out that, in so acting, the Security Council would not only be indicating its faith in the General Assembly but would also be making a contribution to a successful solution of this troublesome issue; furthermore—

In so doing, the Council avoids the necessity of terminating the Subsidiary Group of the Balkan Commission of Investigation which is now in the area. The Council would, therefore, be able to exert some influence towards the stabilization of the situation pending the General Assembly’s decision as to what, if any, recommendations to the parties concerned, to the Security Council or to the Members of the United Nations it might decide and desire to make.

There was some opposition to as well as considerable support for the American resolution. Dr. Joza Vilfan, of Yugoslavia, thought a question of substance, not of procedure, had been raised and was opposed to the resolution, although he had no objection to discussion in the General Assembly, where the Yugoslav Delegation would have a fuller opportunity to point out "the slanderous char-

1 See The United Nations and the Problem of Greece, Department of State publication 2909.
3 BULLETIN of Sept. 21, 1947, p. 542.
4 U.N. doc. S/552. On Sept. 11, Mr. Johnson wrote to Andrei Gromyko, who was President of the Security Council, requesting that the Greek question be placed on the Provisional Agenda of the next meeting of the Security Council in order that steps might be taken in accordance with article 12 of the Charter, to enable the General Assembly to make recommendations with regard to that dispute. See U.N. doc. S/550. For text of resolution as finally adopted by the General Assembly, see p. 1121 of this Supplement.
6 Ibid., pp. 28–40.
THE PROBLEM OF GREECE

cacter of the accusations of the Greek Government” and to call attention to the “responsibility of the foreign protectors” of the Greek Government. But the question should remain on the agenda of the Security Council, Dr. Vilfan thought, until it “agreed to take measures which would result in the re-establishment of Greek independence”. All that had happened merely confirmed the accuracy of the Yugoslav charges, he indicated, and in proposing the resolution the United States was simply attempting to “find excuses” for its “policy in Greece advancing further grave accusations and speaking of a so-called aggression on the part of the northern neighbours of Greece”. He stated, furthermore, that it was American policy which represented “a direct danger for peace and international security”, and which, therefore, required “that action be taken by the Security Council”.

Dr. Evatt, the Minister for External Affairs of Australia, on the other hand, pointed out that the resolution of the United States had nothing to do with the merit of the case but was simply a matter of procedure in getting the problem before the General Assembly and in enabling that body to make recommendations. That was all there was to the matter—“99.9 per cent of the speech made by the representative of Yugoslavia was like flowers that bloom in the spring—in other words, it had nothing to do with the case”.

Alexander Kyrou, of Greece, indicated that Dr. Vilfan’s views as to independence or democracy were not shared “by other countries.” Mr. de Souza Gomez, of Brazil, favored the American resolutions since there remained “no other way of dealing with this very important question, upon which rests in very large measure the prestige of the Security Council, than to seek the recommendation of the General Assembly”.

It remained for Mr. Gromyko, however, to deliver the basic attack against the American resolution, seconded by Dr. Lange, of Poland. In refuting the point raised by Dr. Evatt, Mr. Gromyko declared that the American proposals were “not proposals of a procedural character; they are proposals relating to the substance of the Greek question”. Speaking as the Representative of the Soviet Union, Mr. Gromyko regretted that the Security Council had not succeeded in taking effective action, although, he said, he had repeatedly attempted to demonstrate that the various American resolutions could not lead to a settlement of the Greek problem, since they had all aimed “at protecting and defending those who were in reality responsible for the situation that had arisen in Greece, and at accusing States which had no connection whatever with the serious situation that had arisen in Greece”. In significant contrast, he said, the Soviet Union had submitted proposals which did look toward a genuine solution, although, unfortunately, a majority of the Security Council had been unable to take “an effective decision upon the Greek question”. The new American proposal, he contended, was of a piece with earlier moves and was not submitted “in a spirit of collaboration”. Indeed, some had referred—

to this new step by the United States as a piece of very fine diplomacy. I can only say that it is not fine diplomacy, and that the methods used are not fine methods. Both the diplomacy and the methods are very crude. The United States Government and the United States representatives seem to think that they are bound to pursue such a crude policy in this Greek question.

There were three reasons for the Soviet position. Adoption of the American proposal would mean, in Mr. Gromyko’s view, (1) the confessed failure of the Security Council to solve the Greek problem; (2) the removal of the subject from the agenda of the Security Council, a step which would not be in the interest of the United Nations; (3) failure to strengthen the authority of the General Assembly and impairment of the authority of the Security Council. The American resolution, he maintained, represented a “senseless step”, and no attempt had been made to “conceal the fact” that it was merely aimed at obtaining “the greatest possible number of votes” for the handling of the case in the General Assembly. The American proposal, according to Mr. Gromyko, would only make the situation more difficult and would complicate the finding of a solution in the interest of peace. The Soviet Union, in contrast to the position of the United States, was, “of course, interested in a solution of this question, as of all such questions,
from the point of view of the development and maintenance of good international relations and international peace."

Mr. Johnson did not share Dr. Vilfan's point of view, nor did he feel that Mr. Gromyko's statement was in entire conformity with the facts. He indicated that the American proposal was simply one for taking the necessary steps to enable the General Assembly to deal adequately with the Greek problem. He also pointed out—

The fact that the action was approved and recommended by nine Members of the Council and did not meet with the concurrence of the Soviet Union Delegation is again a matter entirely within the right of the Soviet Union Delegation, but it does not give the Soviet Union the right to say that all the other nine members are necessarily always wrong, and are working against the interests of the United Nations in the Security Council; that is a matter of opinion."

There was, in any case, no power which could prevent the General Assembly from discussing the Greek question, and it was a matter of simple courtesy for the Security Council to take a measure envisaged under article 12 of the Charter."

Dr. Lange, of Poland, opposed the American resolution and felt that the responsibility of the Security Council should not "be abandoned lightheartedly." There were still possibilities for reaching agreement, and "if the good offices of the Polish delegation are of any assistance, they are always at the disposal of the Council.""

Mr. Mevorah, of Bulgaria, also entered the discussion and repeated some of his earlier statements before the Security Council, because of his belief, he said, that the Security Council could "still triumph over its difficulties" if it would resume its study of the Report of the Commission of Investigation, although, he maintained, the majority of the Security Council had hitherto "refused to study the contents of the Report." Mr. Mevorah made the somewhat amazing statement that the frontier incidents which led the Security Council to take up the Greek question had been put aside by the Commission. He then remarked that if the Security Council examined the Report it would discover "one capital fact", namely, "that in Greece there has been open and massive intervention on the part of the United Kingdom and the United States; that this intervention on a large scale is generally admitted". It would also find that there was an accusation "that on one particular occasion a partisan crossing the frontier into Bulgaria received arms and ammunition". Mr. Mevorah said he could "only emphasize that it is our duty to succor refugees who come over our borders". If the Security Council would only follow Mr. Mevorah's advice, he felt, there would be no necessity of seeking a solution from the General Assembly.

Dr. Vilfan, in replying to Dr. Evatt whom he had possibly misunderstood, stressed that he really welcomed an opportunity to have the Yugoslav case stated before the General Assembly, but said he was fearful that as a consequence of the adoption of the American proposal the Security Council could not discuss the Greek problem for at least six weeks. He was convinced that after the recent political crisis in Greece, in which Mr. Sophoulis had emerged as Premier, probably a majority of the members of the Security Council would like to revise their views as to the situation.

Mr. Johnson then pointed out that the effect of the American resolution was merely to give the General Assembly the power of making recommendations under article 12, not of removing the problem from the Security Council's agenda, although both the Soviet and the Yugoslav Representatives had seemed unaware of this. Since Dr. Vilfan seemed unable to understand the American resolution, M. Parodi, of France, sought to clarify the matter by pointing out that there were only two possibilities: (1) to delete the question from the agenda and transfer it to the General Assembly; or (2) to request the General Assembly to make recommendations, as the American resolution had proposed. He could not, therefore, understand the Yugoslav argument and saw nothing to prevent the General Assembly and the

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*Supplement, December 7, 1947*
The problem of Greece

Security Council from being seized of the question at the same time, "so long as there is reasonable hope that we can come to some result in the Security Council". On the other hand, M. Parodi thought it useless "merely to hear the old arguments over again without reaching any result".

Mr. El-Khoury, of Syria, was uncertain as to the American proposal, since he did not expect that the General Assembly would make recommendations to the parties, but felt that if it did, the Greek question "should be deleted from the agenda of the Security Council". However, no one could say that the Security Council had "failed to find a solution for the problem". The Security Council had found solutions and had made resolutions, "but they could not be carried out because of the intervention of the unanimity rule". In Mr. El-Khoury's view the "unanimity rule" should "be reconsidered in some way in order to render it less harmful than it is now . . .". No harm, however, would result from referring the Greek problem to the General Assembly, even if little could be expected of it in the positive sense.

Mr. Heba, of Albania, did not approve reference to the General Assembly, any more than did the Representatives of Yugoslavia and Bulgaria, and also suggested that the Report of the Commission be examined. The "facts" in the case simply proved, according to Mr. Heba, that the whole trouble had been caused by the Greek Government, the United Kingdom, and the United States.

Before proceeding to a vote on the American resolution, Mr. Gromyko, as President of the Security Council, indicated once more that he could not accept any proposals which removed the Greek question from the agenda of the Security Council, contending that, in fact, if not formally, the American resolution would have that effect. In his view the Security Council should follow the procedure defined in article 27 (3) of the Charter, according to which the question at issue was one of substance and would require an affirmative vote of seven members, including the concurring votes of the five permanent members. Mr. Johnson challenged this ruling since the American resolution related to the internal procedure of the United Nations, and declared that it could not be considered "as a matter of substance to be covered by paragraph 3 of article 27 of the Charter". Mr. Gromyko rejected this interpretation, but indicated that whether the question was one of procedure or of substance was a matter not subject to the ruling of any President of the Council. The Security Council would have to make a special decision.

Despite a motion on the part of Dr. Lange to adjourn, the discussion continued, with Col. Hodgson of Australia contending that the question was purely procedural in character.

Before formally submitting the American resolution to a vote, however, Mr. Gromyko wanted to make certain explanations both as President of the Council and as the Representative of the Soviet Union. Referring to the preparation of the Charter at San Francisco and citing the agreement among the five Great Powers as to the matter, Mr. Gromyko contended that the positive decision that a proposal is procedural or substantive in character could be taken only when there were concurrent votes of all the permanent members of the Security Council. According to Mr. Gromyko, two conclusions followed: (1) that the question of procedure or substance be regarded as a "preliminary question"; and (2) that the positive decision could be made only when there existed the supporting votes of the five permanent members. He noted that the United States, the United Kingdom, China, and France had acted...
contrary to this agreement and did not negotiate with the Soviet Union on the question. Sir Alexander Cadogan of the United Kingdom did not agree with Mr. Gromyko, although he accepted the principle of the agreement at San Francisco. M. Parodi also thought it logical to vote first on the primary proposal and to consider later whether it was necessary to vote on the question of procedure or substance, as Mr. Gromyko had proposed.

The American resolution was then voted on, with only Poland and the Soviet Union voting against it. Mr. Gromyko, thereupon, as President and as Representative of the Soviet Union, ruled that the resolution was one of substance and that, since it was rejected by one of the permanent members, it had failed to pass. The vote had then to be taken on the question of substance or procedure, with Poland and the Soviet Union voting against considering the question as one of procedure, and Syria abstaining. The resolution therefore failed, the President declaring that it was rejected because “one of the permanent Members of the Security Council voted against it.”

When Col. Hodgson of Australia challenged the President on the ground that the agreement among the Five Powers at San Francisco was not in the Charter and, therefore, did not bind either the other 50 members of the United Nations or the other members of the Security Council, Mr. Gromyko readily admitted that this was the case. Dr. Lange, however, based the position of the Soviet Representative on article 27 of the Charter. Mr. Johnson also thought that, “under the existing agreements and under the Charter”, Mr. Gromyko had acted within his technical rights “in deciding that this matter was, from his point of view, not a question of procedure”. Mr. Johnson protested “against the use by the Soviet Union of its power in this case”, which frustrated the will of the Council, which had “been freely expressed”, namely, that the General Assembly “be free to make recommendations in this case without prejudice to the issue”. Mr. Johnson, thereupon, proposed that the question simply be taken off the agenda of the Security Council, and that the Secretary-General be instructed to place all records and documents in the case at the disposal of the General Assembly. Although this action would destroy the Subsidiary Group of the Commission of Investigation, Mr. Johnson felt that “we must free the great Assembly of the United Nations to discuss and make recommendations in this matter, if it sees fit.” This resolution was approved, with only the Soviet Union and Poland voting against it.

The General Committee of the General Assembly

Having lost its maneuver in the Security Council to prevent the General Assembly from discussing the Greek problem and making recommendations thereupon, the Soviet Union sought to prevent action in the General Committee of the General Assembly when that body considered the matter on September 17. During the course of the discussion, Mr. Gromyko declared that no threat to the political independence or territorial integrity of Greece existed from Albania, Bulgaria, or Yugoslavia. Instead, there was “a situation made more difficult daily by the interference of foreign Governments in the internal affairs of Greece, a situation which was aggravated by the presence of British troops”. Ambassador Warren R. Austin, of the United States, however, declared that the request for inclusion on the agenda had been made in accordance with the provisional rules of procedure and that the General Assembly itself could decide on inclusion. He justified the request on the basis of Secretary of State Marshall’s address before the General Assembly in which he indicated that the Security Council had failed to reach a decision and stated that the General Assembly could not remain “a mere spectator while a Member of the United Nations is endangered by attacks from abroad”. Hector McNeil, of the United Kingdom, in reply to Mr. Gromyko, pointed out that

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successive Greek Governments had all "specifically agreed to the presence of British troops", and recalled that similar allegations before the Security Council had been dismissed. Finally, by a vote of twelve to two, the General Committee decided to recommend that the question of "threats to the political independence and territorial integrity of Greece" be placed on the agenda of the General Assembly.

Opening Statements in the General Assembly Regarding the Greek Problem

Although the Greek problem did not come immediately before the General Assembly, it was natural, in view of its recognized importance, that frequent references should be made concerning the problem. The U. S. Representative, George C. Marshall, in outlining the attitude of the United States with respect to a number of problems, on September 17 spoke of the question of Greece and stressed its importance. The U. S. Representative declared that "a supreme effort" is required if we are "to succeed in breaking through the vicious circles of deepening political and economic crisis". That, he continued, was the reason the United States had placed on the agenda of the General Assembly the question of threats to the political independence and territorial integrity of Greece. He outlined the case as follows:

The history of the Greek case in the United Nations is well known to this Assembly. You are aware that the Security Council, last December, adopted a resolution establishing an investigating commission to inquire into the situation along the northern frontier of Greece and report the facts to the Security Council. You know that the Commission and its subsidiary group, by large majorities, have attributed the disturbances principally to the illegal assistance and support furnished by Yugoslavia, Albania, and Bulgaria to guerrilla forces fighting against the Greek Government. The extent or effectiveness of such assistance to the Greek guerrillas is not the point at issue here. It is a universally accepted principle of international law that for one nation to arm or otherwise assist rebellious forces against another government is a hostile and aggressive act. Not only has this principle been upheld in a number of famous cases in international
tlaw, but it has also found expression in international agreements. The majority of the members of the Security Council have recorded their support of this principle by their action in this case. One permanent Member of the Security Council, however, has three times vetoed the efforts of the Council to deal with the situation.

This Assembly cannot stand by as a mere spectator while a Member of the United Nations is endangered by attacks from abroad. If the United Nations should fail to protect the integrity of one small state, the security of all small states would be placed in jeopardy. The inability of the Security Council to take effective action in this case passes a grave responsibility to the General Assembly. I am confident that the General Assembly will not fail to meet this responsibility. It must do so if the Organization is to carry out its fundamental purposes.

The United States Delegation will therefore submit to the Assembly a resolution which will contain a finding of responsibility; call upon Albania, Bulgaria, and Yugoslavia to cease and desist from rendering further assistance or support to the guerrillas in Greece; establish a commission to assist in the implementation of these recommendations and to investigate the facts with regard to compliance therewith; and make other appropriate recommendations to the states concerned.

Mr. Modzelewski, of Poland, however, declared that the issue of peace in Greece was simply that one "cannot rule or support a government against the will of the overwhelming majority, and even of the people as a whole". Any attempt to pin the responsibility for "the civil war" in Greece on Albania, Bulgaria, and Yugoslavia, he declared, would not lead to peace. Mr. Modzelewski recalled that in January and February 1946 the Polish Delegation had refused to "broach the issue of the aims and intentions" of the British Government in sending troops to Greece, but he was now convinced that the presence of British forces had "become the cause of a continuing state of civil war" in Greece. For this reason, he maintained, that—

the United Nations should defend the sovereign rights of the Greek nation to decide upon its own destiny, and the United Nations should request the withdrawal of foreign troops from Greece and the cessation of foreign interference into the affairs of the Greek people. The Greek nation, for which the Polish people have for long had feelings of profound sympathy, has heroically resisted the brutal invasion of Mussolini and Hitler, and has proven by history that it can steer its own course.

When Dr. Evatt, of Australia, spoke on September 18, he cited the case of Greece as "an excellent illustration of the frustration, the futility, and the positive injustice caused by applying an individual veto in cases where the majority of the Se-

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security Council is attempting to exercise conciliatory jurisdiction in a dispute between nations. After briefly tracing the history of the case, but apparently not wishing to enter into the merits of the question, Dr. Evatt stressed "the over-riding point for the delegates, that after months of labour the proceedings in the Council have been practically nullified. Accordingly, the Assembly will have to redress the balance and step in and exercise its jurisdiction of what is appropriate according to its sense of what is just in this great matter of international security."

Mr. Vyshinsky, chairman of the Delegation of the Soviet Union, also spoke on September 18 but made only brief reference to the Greek problem. The charges leveled by the United States against Albania, Bulgaria, and Yugoslavia were "utterly arbitrary and without any proof", according to the Soviet Delegate, and went beyond the conclusions of the majority of the Commission of Investigation. He contended that even these conclusions would "not stand any criticism if one is to take any serious approach to the data on which the conclusions are purported to be based", and that it would not, moreover, be difficult to prove that the Report was "full of contradictions and gross exaggerations which deprive its conclusions of any importance or significance whatsoever."

The discussion continued on September 19, with Dr. Arce, of Argentina, noting the misuses of the veto. Ambassador Dendramis, of Greece, began his remarks by charging that "at this very moment", Albania, Bulgaria, and Yugoslavia were "sending arms and ammunition across the borders into Greece to destroy the political independence and the territorial integrity of a Member of the United Nations". Mr. Dendramis traced briefly the history of the problem, citing the work of the Commission of Investigation and the Soviet vetoes which had frustrated the work of the Security Council. Mr. Dendramis declared that Greece was the victim of an international crime, and indicated that whatever the form of government of a country, "that government must respect the right of other peoples to make their own choice free from outward compulsion". He challenged the idea that British and American assistance constituted "unlawful interference in the internal affairs of Greece", noting that the Greek people were "profoundly grateful" for the assistance which they had received, despite Communist assertions to the contrary. Dendramis also pointed out that the issue was not one of reconciling rival ambitions among the Great Powers, but one of principle, to decide "whether the purposes and pledges in the Charter of the United Nations are to be fulfilled and respected. To compromise respect for the principles of the Charter would amount to destroying the Charter itself. . . It is up to this Assembly to decide whether or not United Nations is to be a constructive force for peace and justice."

Jan Masaryk, the Foreign Minister of Czechoslovakia, in his address of September 20 declared that Czechoslovakia was vitally interested in the establishment of peace in the Balkans and believed that a "healthy condition in Greece" could be achieved only through the initiative and efforts of the Greek people. He asserted that it was not sufficient to proclaim an amnesty; it was equally "necessary to assure real freedom of action to the people". In the view of the Czechoslovak Delegation:

the results of the investigation by the United Nations Commission do not justify such one-sided language as we heard in this hall, addressed to the neighbors of Greece. The Czechoslovak delegation cannot agree with the standpoint based on allegations which are not factually established, for in our opinion such a standpoint will not bring about order and security, but further disagreement and strife. The Greek people deserve well of all of us.

Mr. Chamoun, of the Lebanon, made some comparisons between the Greek situation and that in Palestine. If it were true that the northern neighbors of Greece had furnished arms and other facilities for revolt in Greece, he denounced them. On the other hand, he would like to see the Representative of the United States also denounce, "with equal warmth, the activities of the nationals of..."
certain other powers who further illegal immigration on a large scale, directed against the Arab people of Palestine and against the inviolability and integrity of their territory. M. Bidault, the Foreign Minister of France, was well aware of the seriousness of the Greek problem and of the consequences likely to follow failure to reach a solution, since the "civil war" had been "aggravated by foreign elements and ideological passions". This situation was precisely a case in which the United Nations was obligated to act and to propose a solution. Although the French Delegation would have some amendments to propose concerning the American resolution, to M. Bidault it seemed that—

It should be unanimously agreed to set up or maintain appropriate bodies instructed to go to the spot, to investigate the situation and make all necessary recommendations. No country should oppose the work of such a commission by alleging that it has no responsibility in the lengthening of the conflict, for it would have there the opportunity of proving it has been accused in vain.

The French Delegation expressed the desire to approach the problem impartially and with a concern for peace.

In his vigorous address of September 22, Hector McNeil, the acting head of the United Kingdom Delegation, also dealt briefly with the Greek problem. Recounting some of the successes of the United Nations, Mr. McNeil, nevertheless, indicated the "political and public disappointment", stating that this had grown primarily from "the slow paralysis which the world has been forced to watch creeping over the Security Council". One of the positive achievements had been the sending of the Commission of Investigation to Greece—"a distinctive international event", which "could have proved a most encouraging example" of the kind of help which the United Nations could give to any nation. Mr. McNeil reminded the General Assembly that it was aware of the circumstances which had led the United States to place the Greek question on its agenda. But he did not stop at this point, although he said he had no intention of dealing with the "ludicrous picture" which Mr. Vyshinsky had painted "of poor little undefended, terrorized Soviet Russia trembling at the threats from Athens and Ankara". He ridiculed the Vyshinsky statement that Greece was a menace to her northern neighbors, and declared that no one was impressed by such a statement since everybody knew that the Greek forces were "in the ratio of about one to five of the three adjacent states" which allegedly feared "Greece's ambitious intentions". But he did comment on the Vyshinsky statement that the American charges against Albania, Bulgaria, and Yugoslavia were "utterly arbitrary and without any proof", and on his further statement that the conclusions of the Commission were barely supported by only six members of the Commission. Mr. McNeil declared that that, of course, was "quite untrue" and "the conclusions which Mr. Vyshinsky dismiss as utterly arbitrary are, of course, endorsed by eight out of eleven members of the Commission. Two out of those who did not approve the conclusion were, strangely enough, the Soviet and Polish Governments."

Mr. Lopez, of Colombia, in a passing reference to the Greek problem, noted the abuse of the veto, the lack of binding strength in both General Assembly and Security Council recommendations, and the desire to appoint another commission. Dr. Despradel, of the Dominican Republic, thought it entirely justifiable that the United Nations should continue to carry out a full investigation. The Foreign Minister of Yugoslavia, Mr. Simic, however, had entirely different ideas concerning the Greek problem. In the first place, he condemned the entire policy of the United States with respect to UNRRA and denounced the "Truman and Marshall plans". He charged that the war in Greece was "being waged against a freedom-loving people with American money". Except for Greece, in his opinion, the "so-called 'Balkan problem'" had been solved by victory and liberation, and, in contrast to Greece, the Balkan nations had thrown off their yokes and were "living free and independent . . . in mutual harmony and friendship". The entire responsibility for the situation in Greece, according to the Yugoslav Foreign Min-
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ster, lay with the reactionary Greek Government, which was dominated by "active quislings" and supported by British arms and American money. Nor did Mr. Simic agree with Secretary Marshall concerning the conclusions of the majority of the Commission of Investigation. He repeated all that had been said in the Security Council and wondered why it had not been stated in the Report of the Commission that the principal Greek witnesses were not criminals or people who had been tortured into producing false testimony. Mr. Simic was quite certain, had the Commission been guided by "scrupulous conscientiousness, investigating only facts, without political considerations," it would, "without doubt, have ascertained the guilt of those who, as defendants, want to become simultaneously prosecutors and judges".

Mr. Simic also thought it interesting that the United Kingdom and the United States, both of which had been giving assistance to the Greek Government, should accuse the neighbors of Greece of interfering in the internal affairs of that country. Was it really possible, he asked, "that such a feeble smokescreen can conceal from this Assembly whose policy it is to intervene in the internal affairs of Greece?" It was true that the Security Council had had this problem on its agenda for nine months, and, in Mr. Simic's view, only the fact that the Soviet Representative "was able to check a decision which was obviously unjust, discriminatory, and harmful not only to the Greek nation but to the cause of peace in general" had prevented that body from taking a measure proposed by the United States which would have wrought grave injury to Greece, to the United Nations, and to world peace itself. As the result of an American maneuver, he said, the problem had now been brought before the General Assembly, but he felt the only real solution of the question lay in the withdrawal of British and other troops from Greece and in allowing the Greek people to make their own decisions "freely and democratically".

Although the Representative of Turkey, Selim Sarper, regretted the failure of the Security Council to solve the Greek problem, Mr. Manuilsky, the Foreign Minister of the Ukrainian S.S.R., repeated, in somewhat different language, all the charges made by Mr. Vyshinsky. His remarks concerning Greece, therefore, struck a very famil-
The essence, he concluded, was not "that monstrous political diversion, that international distortion under the screen of which Albania, Bulgaria and Yugoslavia are being accused of jeopardizing the independence and political integrity of Greece".

The General Assembly concluded the general debate at the morning session on September 23, when it began a discussion of the report of the General Committee on the provisional agenda. Mr. Leontic, of Yugoslavia, objected to the inclusion of the Greek question on the agenda, making the statement that the Commission of Investigation had proved "that the essence of the Greek question lies in the presence of foreign troops in Greece and in the systematic interference by the United Kingdom and the United States in the internal life of Greece since 1944". Mr. Leontic also insisted that the Greek problem, which had been on the agenda of the Security Council until its removal on September 15 by action of the United States "because the United States delegation did not want such a solution to be found," should not go before the General Assembly. Although this was, according to Mr. Leontic, merely a maneuver on the part of the United States, Yugoslavia had "no reason to fear a public and fundamental discussion of the Greek question"—its opposition was based on principle. Ambassador Austin replied very briefly to the Yugoslav Representative, since all members of the General Assembly were familiar with what had occurred in the Security Council concerning the Greek case. He concluded:

After making the great promises to the whole world which it has made in its Charter, the General Assembly cannot afford to stand by as a mere spectator while a small member of the United Nations is in danger from attack from abroad. If there is any one doctrine which runs through the entire Charter, it is the doctrine of security in which we have undertaken to support small states, as well as large, against aggression.

There was no further discussion of the point and the General Assembly voted 38 to 6, with 9 abstentions, to include the Greek question on its agenda.

The Discussion in the Political and Security Committee of the General Assembly

A Hearing for Albania and Bulgaria

Following the decision to place the Greek problem on the agenda, the Political and Security Committee of the General Assembly began its discussion of the problem on September 25.

As early as September 21, N. Mevorah, the Representative of Bulgaria, had written to the Secretary-General complaining of the Greek "calumnies" against Bulgaria, and had asked to be heard, promising "not to abuse the patience of the representatives and to be satisfied with a very small allowance of time in which to carry out my task." Two days later, on September 23, Mr. Heba, the Representative of Albania, also complained against the "entirely unfounded accusations against Albania", and asked that "all steps [be taken which were] necessary to enable the Albanian delegation to participate in all the forthcoming debates on the Greek question in the United Nations General Assembly".

At the first meeting of the Committee a letter was read from Dr. Aranha, the President of the General Assembly, advising the First Committee to permit Representatives of Albania and Bulgaria to be heard concerning the Greek problem. In reality there was no opposition, in principle, to hearing them, although there was general agreement with Mr. Johnson, of the United States, who thought the Representatives of Albania and Bulgaria should not be heard "unless they accepted in advance, for the purpose of the dispute, the obligations of pacific settlement provided for in the Charter." 1

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For the remarks of Mr. Trygve Lie, see U.N. doc. A/PV/90. The provisional agenda may be found in U.N. doc. A/392.

For the discussion see U.N. doc. A/C.1/SR/60, pp. 1–4. Albania and Bulgaria had accepted this obligation under article 35 (2) of the Charter on Dec. 17, 1948. For convenient summary see The United Nations and the Problem of Greece (Department of State publication 2909), pp. 1–2. Note especially references to articles 11 (2), 32, and 35 in the remarks of Unden, Spaak, Delbos, and Entezan.
On the other hand, Mr. Gromyko and the other members of the eastern European states held that the presence of the Albanian and Bulgarian Representatives was a prerequisite "to enable the Committee to study the question objectively". Mr. Gromyko felt that—

Bulgaria and Albania could not be asked to bind themselves even before they had stated their case. These two States could not be subjected to obligations more onerous than those applicable to Member States by being forced to submit in advance to the Assembly's decisions, at a time when the Members of the United Nations had only recommendations before them. This would virtually amount to a refusal to allow those States to be heard.

Dr. Evatt, of Australia, supported the American view, although he considered that even if Albania and Bulgaria refused to accept the conditions in question, they could still be heard without being "admitted to take part in the discussions as members". Finally, M. Spaak, of Belgium, submitted the following resolution, which was adopted by 38 votes to 6, with 5 abstentions:

The First Committee enquires of the representatives of Albania and Bulgaria if their Governments are prepared to apply the principles and rules of the Charter in the settlement of the Greek question.

The Albanian and Bulgarian Representatives were informed of the decision on September 25 and replied on September 27. Mr. Heba, of Albania, declared that his Government was "the expression of the free will of the Albanian people", that its "every act was inspired" by the principles of the United Nations, that all parties should be heard, and he added:

... While respecting fully the principles of the United Nations Charter, the Government of Albania cannot consent to Albania's absolute right to submit explanations and deny the allegations of the opposing parties being made subject to any condition whatsoever.

Mr. Mevorah whose Government, as well as that of Albania, had applied for membership in the United Nations and, he asserted, had long since been devoted to its principles, was really "astonished that such a question should be asked" of him "in these unusual circumstances." He felt that his sitting at the Committee's table—

should be insisted upon by the Committee itself, because otherwise the Committee would not be able to solve the important and complicated problems assigned to it by the Assembly without hearing the interested parties and especially without hearing the accused after having listened to the accusers. A decision taken in our absence would be seriously weakened in its authority.

It was clear that neither Albania nor Bulgaria had given any indication at all as to accepting any obligations with respect to the dispute, as Dr. Evatt noted on September 27. Although they could not, therefore, be invited to participate in the discussion "with full powers", it was felt that they should be heard in their own defense. Since there was general agreement with this point of view, M. Spaak submitted this resolution which was approved (subject to an amendment) by 39 votes to 1, with 11 abstentions:

The Governments of Albania and Bulgaria having failed to furnish a satisfactory reply to the request made to them by the First Committee, the latter has decided to hear the statements of the Bulgarian and Albanian delegations on the Greek question and requests them to place themselves at the disposal of the Committee in order to reply to any questions which may be put to them.

The Albanian and Bulgarian Representatives were notified immediately of the action of the Committee.

The Substantive Discussion of the Greek Problem

The debate on the substantive problem at issue was opened before the Committee on September 25 with a statement by United States Ambassador Johnson, the importance of which was attested by the presence of Secretary of State George C. Marshall and John Foster Dulles, a representative of the U. S. to the Second Session of the General Assembly. After delineating the five Soviet vetoes in connection with the Greek problem, Mr. Johnson declared that "the inability of the Security Council to take effective action in this case passes a grave responsibility to the General Assembly to uphold the Charter and carry out the fundamental

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purposes of the United Nations". Albania, Bulgaria, and Yugoslavia had been accused of hostile and aggressive acts against Greece. Mr. Johnson stated that "failure of the United Nations to protect one small state can only endanger the security of other small states. The failure of the General Assembly to meet this issue squarely would inevitably lead to the belief that acts of this kind would be tacitly condoned in the future." Mr. Johnson then summarized some of the evidence, pointing out that eight members of the Commission of Investigation had concluded that Albania, Bulgaria, and Yugoslavia had assisted the Greek guerrillas, and that nine members had submitted proposals for peaceful settlement of the dispute. Mr. Johnson also pointed out that the Subsidiary Group had accumulated evidence of increased assistance to the Greek guerrillas, and he noted that Albania, Bulgaria, and Yugoslavia had refused the Subsidiary Group the right of entry into their territories. It seemed established, he continued—

that Albania, Bulgaria and Yugoslavia had violated the principle of international law according to which a State should not assist bands which were in rebellion against their legal government. In those circumstances, could it be said that Yugoslavia, which was a Member of the United Nations, and Albania and Bulgaria, which had applied for admittance, had respected the principles established by the Charter, and in particular, that they had settled an international dispute by peaceful means?

Following his address, Mr. Johnson introduced a resolution in which the General Assembly was asked to find Albania, Bulgaria, and Yugoslavia, in contravention of the Charter of the United Nations, guilty of having "given assistance and support" to the Greek guerrillas. A "cease and desist" order was also contained in the resolution. It was recommended that Greece on the one hand and Albania, Bulgaria, and Yugoslavia on the other renew diplomatic and good-neighborly relations, provide frontier conventions for the regulation of frontier incidents, cooperate in the settlement of problems arising out of the presence of refugees within their frontiers, and study the practicability of reaching agreements for the voluntary transfer of minorities. It was also provided that a special committee be established in order (1) to observe the compliance of the four Governments with these recommendations and (2) to be available to assist the four Governments in the implementation of the recommendations. It was also proposed that the four countries concerned cooperate with the special committee. If necessary in the interest of international peace and security, the special committee was authorized to recommend the convocation of a special session of the General Assembly "as a matter of urgency". Headquarters were to be in Salonika and, with the cooperation of the four Governments, the special committee was to "perform its functions in such places and in the territories of the four States concerned as it may deem appropriate". A report was to be given to the 1948 session of the General Assembly and to any earlier session which might be called to consider the Greek problem, together with such interim reports to the Secretary-General as the committee might deem appropriate. The committee was to begin work as soon as practicable and to remain in existence pending a new decision of the General Assembly. An adequate staff was to be provided and the Secretary-General was to enter into a "standing agreement with each of the four governments concerned to assure the special committee, so far as it may find it necessary to exercise its functions within their territories, of full freedom of movement and all necessary facilities for the performance of its functions".

The discussion continued on September 26 with a long statement by Dr. Bebler, of Yugoslavia, who declared that Mr. Johnson’s accusations had "contained no proof" but were "based solely on the report of the Commission of Investigation which was only an investigating, not a judicial body". Then followed the repeated assertions with respect to the Greek witnesses, who had been "criminals, drunkards or forced witnesses", and the charges concerning the "monarcho-fascist" government in Greece, which, it was said, rested on British bayo-

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nets and American money. Dr. Bebler went on to remark that—

Mr. Gromyko had been correct in the Security Council in opposing resolutions which would allow carte blanche to those who desired the continuation of such a policy by the Greek Government and by the Great Powers in Greece. On the other hand the United Kingdom and the United States rejected all resolutions aimed at calming minds in Greece. They rejected even the Polish resolution, which put no blame on Greece.

This was curious reasoning, indeed, since only the Soviet Union and Poland had stood out against the resolutions of the United States and of Australia looking toward a settlement of the problem of Greek frontier incidents, and only Poland and the Soviet Union had supported the resolutions offered by Mr. Lange and Mr. Gromyko. However, Dr. Bebler continued:

The significance of the new and more violent United States accusations showed a desire to pursue that country's policy still further. In considering the accusations certain major facts had to be taken into account: the presence of British troops, the control exercised by the United States, and the aggressive spirit which certain powers encouraged in the Greek Government. All were designed to prepare new steps against the northern neighbours of Greece, and smelled of the dynamite of a new war. The Assembly was being asked to sanctionsuch a policy.

General Romulo, of the Philippines, did not share Dr. Bebler’s views and thought it not necessary to repeat all the arguments which had been heard both by the Commission and by the Security Council on numerous occasions. Mr. Johnson agreed with this remark and, noting Dr. Bebler’s numerous citations of the Greek opposition press, stated that “the astonishing fact was not that such statements were made but that their authors were still alive, while similar articles in other countries would have resulted in their authors being haled before so-called People’s Courts and hanged”.

Mr. Manuilsky, the Foreign Minister of the Ukrainian S.S.R., who could not agree to the closing of the discussions, challenged Mr. Johnson's conclusions as unfounded, and charged that since “innocent states were being accused”, a “long debate would be necessary”. Mr. Slavik, of Czechoslovakia, essentially agreed with Mr. Manuilsky, noting that, as a lawyer, he had read the Report of the Commission and had found it decidedly unconvincing—all the responsibility “must be placed on the Greek Government”.

Mr. Gromyko opened the discussion on September 27, repeating the views which he had expressed in the Security Council. Once more he charged that the essence of the Greek problem lay in the “fact” that a reactionary regime had been fastened on Greece by Great Britain and the United States, and pointed to the memorandum of the EAM, with its lists of arrests and executions, as proof of his charges. During the discussions in the Security Council, Mr. Gromyko had insisted that the Greek Government’s accusations against Albania, Bulgaria, and Yugoslavia were “merely an attempt to camouflage the true causes for the situation” in Greece. The majority of the members of the Security Council, Mr. Gromyko said, “had adopted an attitude of support for the Greek allegations, thereby allowing themselves to be led astray by a political diversionary manoeuvre, the object of which was to maintain an anti-democratic regime based on external aid”. Reviewing the history of the case, Mr. Gromyko declared that the Soviet Union had raised no objection to the establishment of a Commission of Investigation, “although it was obvious that the real object of this body was not to pacify relations between the States involved”. The only “fact” established by the Commission, in Mr. Gromyko’s view, was that thousands of Greek citizens, especially Macedonians, had taken refuge in the neighboring countries in order to escape the terror in Greece. Mr. Gromyko once again challenged the evidence before the Commission, and declared that the Security Council had been prevented from drawing “the logical conclusions” and adopting genuine solutions by “the attitude of the United States”. The establishment of a new commission, as proposed by the United States, was unjustified, since the “alleged frontier incidents” were all provoked by the Greek military clique. The only way to end the trouble, asserted Mr. Gromyko, was to “request the Greek Government to cease provocation and to re-establish normal relations with her northern neighbours”. The fact that Greece was willing “to sacrifice her sovereignty and independence” with respect to such a commission was not necessarily an example to be followed by Albania, Bulgaria, and Yugoslavia.

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Mr. Gromyko charged the United States with forcing Soviet vetoes in the Security Council in order to improve its position in the General Assembly. He also castigated both American and British policy in Greece, noting that "the sending of 18,000 (sic) American military instructors to Greece ... was tantamount to taking sides with one of the parties to the dispute, and was incompatible with the very principles on which the United Nations was founded". In his view, "the real threat came from the United States itself", not from the neighbors of Greece, and to the American threat to invoke Article 51 of the Charter, this "could only be interpreted as an attempt to justify American interference in Greek affairs".

In contrast to both the United States and the United Kingdom, the Soviet Union, according to Mr. Gromyko, was interested only in solving the Greek problem, and was, therefore, introducing its own resolution.

This resolution was almost identical with the resolution which had been rejected by a vote of nine to two on August 4. Like its predecessor the Soviet resolution placed entire responsibility on the Greek Government and the resolution simply called on the Greek Government to put an end to the frontier incidents. In addition, it asked for renewal of diplomatic and good-neighborly relations among the parties concerned, the negotiation of frontier conventions, settlement of the refugee problem, an end to Greek persecution of minorities, and a report, after three months, to the Secretary-General on the compliance with the recommendations. In order to improve the internal situation in Greece, "creating conditions for the development of an independent democratic Greek Government", and to improve relations among the four Governments, it was recommended that foreign troops and military personnel be withdrawn from Greece, and that a special commission be established "to guarantee by appropriate supervision the utilization of such aid solely in the interests of the Greek people".

In an opening statement on September 29, Mr. Tsaldaris, the Foreign Minister of Greece, declared that Greece was prepared to rest its case on the facts established by the Commission and the Subsidiary Group, and on the conclusions of the majority of the Security Council. He also reiterated that Greece would fulfill its Charter obligations by accepting in good faith whatever recommendations the General Assembly might make and would cooperate with any commission which might be established. Mr. Tsaldaris challenged those who had denied the findings of the Commission and declared that the charge that Greece was a warmonger was utterly illogical, since "any such war would wipe out Greece first of all". Mr. Tsaldaris also noted that some 250,000 refugees had fled to Greek cities in view of the guerrilla warfare.

To M. Delbos, of France, the Greek problem was "the gravest question before the United Nations". M. Delbos explained the attitude of the French Delegate on the Commission and indicated that the French Government had drawn the following conclusions from the facts established:

In Greece itself were to be found the origins of the problem. Those troubles were chiefly concentrated on the northern frontier of Greece where guerrillas participating in the Civil War passed constantly from one side of the frontier to the other, and thus greatly facilitated their action. Although there was only a presumption, not proof, that the Albanian, Bulgarian and Yugoslavian Governments aided these guerrillas, it was clear that they did not fulfill their obligation to police their own frontiers and prevent the frequent invasions, quite incompatible with good-neighborly relations. Their justification was their opinion that the Greek Government was not democratic. The French Government itself did not believe the Greek political conditions ideal. However, that opinion gave no right of intervention.

M. Delbos thought a "decisive step toward peace" would be taken if Albania, Bulgaria, Greece, and Yugoslavia would agree to accept the advice of the General Assembly and if a commission were established on the spot to implement the Assembly's recommendations. M. Delbos thought the United Nations should make its decisions incontestable and acceptable, and considered that it was unnecessary to repeat the conclusions of the majority of the Commission. He would simply strike out the "guilt clause" of the American resolution and insert a clause indicating that the Commission of Investigation, by a majority, had found that...
Albania, Bulgaria, and Yugoslavia had given assistance to the Greek guerrillas. Then he would follow with a clause calling upon these countries "to do nothing which may furnish aid and assistance to the said partisans". M. Delbos' proposal struck no responsive chord in the address of Mr. Kiselev, the Foreign Minister of Byelorussia, who simply repeated the Soviet thesis, charging the United States and the United Kingdom with enslaving the Greek people, and declaring that no "facts" had been offered to prove the Greek charges against its neighbors.

Mr. McNeil summed up the British case, warning the Committee against the danger of losing sight of the primary issues. There were only four principal issues, he said, the first of which was whether the Security Council was capable of finding a solution—that body had proved itself impotent. The second question was whether the existing Greek Government was legal—and in Mr. McNeil's opinion there was no question as to that. The third question, whether or not the Greek Government was representative, Mr. McNeil also answered in the affirmative. The final question was to determine whether Greece was threatened by its northern neighbors. In view of the Commission's conclusions, Mr. McNeil felt that Greece was menaced, and he believed that the American resolution offered the best means to a solution of the problem.

Like Mr. McNeil, United States Representative Johnson objected to attempts to divert the Committee's attention. He considered American motives in Greece to be clear and pointed out that complete information as to the sums spent for reconstruction would be given to the General Assembly. Mr. Johnson wondered how it could be possible that "these nine members were completely wrong" and "their conclusions were without foundation", as both the Soviet and Polish Representatives had insisted.

By October 2 both Mr. Mevorah (Bulgaria) and Mr. Heba (Albania) had indicated their desire to present statements to the Committee.

Mr. Mevorah stressed the lack of foundation of the accusations against Greece, indicating that the Security Council could have found a solution if it had only been willing to examine the "facts". All the evidence submitted to the Commission—i.e. all the evidence against the neighbors of Greece—had, in his opinion, been based upon the lies of false witnesses. Even though refugees had crossed into Bulgaria, he maintained they had been given only lawful refuge and assistance. The United States, Mr. Mevorah charged, was simply trying to have a permanent commission established in order to justify its intervention in Greece under the Truman doctrine. In concluding, Mr. Mevorah declared that Bulgaria had no aggressive intentions with respect to Greece, and indicated that the problem could be solved; all that was required was an agreement for the settlement of frontier incidents, together with the resumption of diplomatic relations with a Greek Government "truly representative" of the Greek people.

Mr. Heba continued the same theme, charging Greece with aggressive intentions, especially as to Northern Epirus, and charging that all the evidence against Albania was false.

Mr. Manuilsky, of the Ukrainian S. S. R., continued in this vein on October 3, indicating that while Albania, Bulgaria, and Yugoslavia were "a group of peace-loving states with no territorial claims against any others", Greece, supported by the United Kingdom and the United States, was a genuine menace to the peace of the Balkans. The whole proposition, he insisted, was simply a maneuver to further the imperialistic aims of the United States, symbolized by the Truman doctrine. In Mr. Manuilsky's view there could be no peace in the Balkans before foreign troops were withdrawn and the Greek people allowed freely to decide their own fate.

Sir Carl Berendsen, of New Zealand, regretted the vetoes which had paralyzed the Security Coun-
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cil, thought it imperative for the General Assembly to act, and had no hesitation in supporting the American resolution.86

But the turning point in the entire debate in the Political Committee came with the address of M. Spaak, the Premier of Belgium. Although not directly concerned in the Balkan problem, M. Spaak thought it his duty to express his views impartially. Replying to the oft-repeated charge that the problem arose from the presence of British troops in Greece, he "affirmed that a legitimate Government was entitled to ask friendly countries for their help in maintaining order." 77 The guerrilla warfare in Greece, he felt, was the result of political, social, and economic antagonisms, and the only real issue involved was whether the northern neighbors of Greece had aided the guerrillas. M. Spaak, who pointed to the relative freedom in Greece, as compared with conditions on the other side of its frontiers, agreed with the findings of the Commission as to the complicity of Albania, Yugoslavia, and Bulgaria in the situation in Greece. He found the work of the Subsidiary Group particularly important; noted the failure of Albania, Bulgaria, and Yugoslavia to cooperate with that body; and called particular attention to its investigation of the Kouka-Palaion-Triethnes-Beles incidents of March–April, 1947.78 The guerrilla warfare in Greece, he felt, was the result of political, social, and economic antagonisms, and the only real issue involved was whether the northern neighbors of Greece had aided the guerrillas. M. Spaak, who pointed to the relative freedom in Greece, as compared with conditions on the other side of its frontiers, agreed with the findings of the Commission as to the complicity of Albania, Yugoslavia, and Bulgaria in the situation in Greece. He found the work of the Subsidiary Group particularly important; noted the failure of Albania, Bulgaria, and Yugoslavia to cooperate with that body; and called particular attention to its investigation of the Kouka-Palaion-Triethnes-Beles incidents of March–April, 1947.78 The Belgian Premier observed that there was some common ground between the American and Soviet resolutions, especially as to the cooperation of the four states in the settlement of their disputes. But he wondered why Albania, Bulgaria, and Yugoslavia refused to accept the establishment of the special committee proposed by the United States. If the United States, as Mr. Mevorah had charged, were merely interested in covering up its imperialistic policy, it would surely not call in 11 witnesses to observe the situation.

As to the reactionary idea that the establishment of a special committee would violate the "national sovereignty" of the countries concerned, M. Spaak noted that such a concept would make impossible the efficient functioning of any international organization. Recalling that Marshal Tito had invited a certain number of distinguished Americans to go to Yugoslavia,79 M. Spaak wondered why the inquiry of an international commission should be more humiliating. Noting that the most controversial aspect of the American resolution was contained in the so-called "guilt clause", M. Spaak expressed the view that the Committee ought to be concerned less with condemnation than with finding a solution of the problem. He believed that many delegates would accept the French amendment if the compromise were real and if Albania, Bulgaria, and Yugoslavia would undertake to collaborate loyally with the Commission. Although Belgium was fully aware of the Yugoslav contribution to victory, he felt it was not right that the will of the majority should be frustrated by the obstinacy of a single country. M. Spaak advocated that at this juncture the place of the Security Council would have to be taken by the General Assembly, which should act along the lines of the resolution of the United States.

Dr. Lange, of Poland, opened the discussion on October 4,80 repeating mainly the remarks which he had made familiar in the Security Council. One of the interesting remarks of Dr. Lange, however, was in connection with Premier Spaak's analysis of the Subsidiary Group's report of the Kouka-Palaion-Triethnes-Beles incidents, in which some 500 guerrillas were alleged to have crossed into Yugoslavia. Even if true, Dr. Lange thought the mere crossing of 500 guerrillas into Yugoslavia was of very minor significance. He was convinced that only the Soviet and Polish Representatives on the Security Council had led the way to peace and security, although nine other representatives had thought otherwise.

A number of other statements followed, most of them brief in character. Mr. Hussein Heykel, of Egypt, declared that his country was interested in the events in Greece primarily because both were Mediterranean countries.81 He felt that the primary reason for maintaining troops both in Greece

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89 Marshal Tito invited six Americans to visit Yugoslavia, including former Secretary of State Byrnes, Harold Stassen, and the Rev. Harry Emerson Fosdick. All rejected the invitation.
und in the Balkan countries was the strife between East and West, and he urged that all foreign troops be simultaneously withdrawn. Mr. Tsiang, of China, challenged statements as to the legality of the Greek Government and noted that there was nothing in the Charter to forbid the kind of assistance which both the United States and Great Britain had rendered to Greece. In contrast, “it was a well accepted principle of international law that no State should give assistance to subversive groups among its neighbours.” He accepted the conclusions of the Commission of Investigation, gave his support to the American resolution, and indicated that the principles involved in the Greek case were of vital importance for the future of peace and security. Mr. Fournier, of Costa Rica, supported the position of Premier Spaak.

Mr. Johnson, of the United States, challenged what he termed misrepresentations which had been made repeatedly concerning the Report of the Commission, turned to Dr. Lange’s statement as to the Subsidiary Group, and declared that the Polish Representative’s “idea of conciliation appeared to be that all should accept the Soviet Union’s point of view”. Mr. Johnson, who had refrained from introducing the evidence in the case, then referred to Premier Spaak’s proposal of October 3, namely, that before a decision was adopted, the Committee should ascertain whether Albania, Bulgaria, and Yugoslavia would cooperate in executing the recommendations of the General Assembly. He thought this inquiry essential and that the measures taken would depend on the attitude of these countries. If the replies were unsatisfactory, the Committee might want to reach a finding as to responsibility and, in that instance, the United States would submit a summary of the evidence contained in the materials from the Subsidiary Group.

Señor Lopez, of Columbia, felt that frontier incidents were only a part of a much broader political problem—the northern frontiers of Greece “had suddenly become the political and ideological background for a conflict between the two leading military Powers”. He was opposed to any “guilt clause” and wanted a genuine declaration of co-operation from Albania, Bulgaria, and Yugoslavia. A satisfactory solution of the Greek question would make it possible to proceed to a discussion of the rule of unanimity in its appropriate perspective.

Dr. Evatt, of Australia, opened the debate on October 6 with a brilliant defense of the work of the Commission, and challenged the insults which had been directed against the United States and the United Kingdom. Wondering what prompted the slanderous accusations, Dr. Evatt declared that “the insults and unfounded charges made against Greece had only confused the issue. The well-coordinated verbal counteroffensive hurled against Greece indicated very close co-operation between the Balkan countries and the Soviet Union, a fact which constituted the most serious aspect of the Greek question since it revealed a common aim: the overthrow of the present Greek Government by force.” Declaring that the only question was whether assistance had been given to the Greek guerrillas, Dr. Evatt pointed to the work of the Commission and its Subsidiary Group. He stressed especially the investigations concerning the Angistron Lipe and Kapnotopos incidents on the Bulgarian frontier, the Konka-Palaion-Triethnes and Beles incidents on the Yugoslav frontier, and the Konitsa incidents on the Albanian frontier, all of which “definitely proved that the countries bordering on northern Greece had materially assisted the Greek guerrillas by permitting them to use military camps situated on their territory, by giving them medical attention and by allowing them to return to Greece armed”.

In Dr. Evatt’s view, it was interesting to collate “these positive proofs with the non-co-operative attitude of the Albanian, Bulgarian, and Yugoslav Governments in regard to the Subsidiary Group”. It was obvious to him that “the three Balkan countries, as well as the Union of Soviet Socialist Republics which supported them, were acting in unison against Greece”. Even the Albanian and Bulgarian replies to the invitation to attend meetings of the Political Committee were in almost ident
tical terms. As to British and American assistance to Greece, Dr. Evatt reminded the Committee of article 51 of the Charter and declared that the assistance had been "given openly, publicly, and had only one aim: to enable the country which had suffered most from the war, to rehabilitate itself and to contribute to the restoration of Europe as a whole". Dr. Evatt concluded with the remark that if the Committee accepted the proofs assembled by the Commission and its Subsidiary Group, it ought not to hesitate in drawing the conclusions that the neighbors of Greece "had broken their international obligations". By doing so, the General Assembly would simply "be implementing a resolution" which had been approved by a majority of nine members of the Security Council, but "had been rendered ineffective by the use of the Soviet veto right".

The Soviet counterblast came from Mr. Vyshinsky, who spoke for about one hour and a half. Mr. Vyshinsky reiterated all the familiar charges as to the work of the Commission. He attacked M. Spaak for his attitude on the concept of "national sovereignty". He attacked the "expansionist policies" of the United States. He charged the Greek Government with sole responsibility for frontier incidents and said that although the United States had accused the neighbors of Greece of aiding the guerrillas it had suddenly "dropped these accusations" because it did not believe and could not prove them. The Soviet Delegation, which he maintained was seeking only to solve the problem, could not accept such "horse trading" and "blackmail". Mr. Vyshinsky concluded:

The Soviet Delegation has carefully examined and analyzed all the most important documents relevant to the work of the Commission for Investigation Concerning the Greek Frontier Incidents. We tried to follow step by step the developments used to raise this question first before the Security Council and now before the General Assembly. We are convinced—and this conviction of ours is based on a sound foundation—facts, facts, and once more facts. These facts refute the accusations levelled at Yugoslavia, Bulgaria and Albania and they testify to the injustice and artificialness of the claims made against the three northern neighbors of Greece. To the contrary these facts leave no doubt that all the guilt and responsibility for these developments rest with the Greek Government and on the governments of these states which through their intervention into the internal affairs of the Greek people, by their support of reactionary antidemocratic forces in Greece try to take advantage of the present situation for their expansionist purposes. Therefore, the Soviet Delegation proposes to reject the draft resolution submitted by the United States Delegation and by some other delegations since it operates with false data that are in contradiction with the true data; the approval of such resolution far from solving the problem we are faced with will only complicate its solution and will constitute a new act of gross injustice with respect to Yugoslavia, Bulgaria and Albania, will be a new obstacle to the promotion of cooperation between these countries and Greece, a new obstacle to the promotion of peace and security of nations.

The Soviet Delegation is convinced that the only right and just method to solve this problem is to immediately withdraw foreign troops as well as all kinds of military and civil instructors and the so-called experts, and give the Greek people an opportunity to settle their own problems on the basis of democratic principles and establish with neighboring countries relations of peace, cooperation and friendship in the interests of both the Balkan nations and nations of the whole world.  

Certainly, there was no note of conciliation or compromise in the heated utterance of Mr. Vyshinsky. Mr. Ilsley, of Canada, stated that his Delegation accepted the conclusions of the Commission of Investigation, especially since "the opposition had brought no pertinent criticism against them". He had no doubt as to the competence of the General Assembly to act, and the establishment of a commission could not be considered "as an infringement of their sovereignty". Canada, therefore, supported the American proposal as amended by France. If, however, there was a refusal to cooperate, Canada would support the first American proposal. Similar sentiments were voiced by Mr. Enciso, the Delegate of Paraguay. Mr. van Roijen, of the Netherlands, had been inclined toward the French amendment to the American resolution, but after the address of Mr. Vyshinsky he was inclined to support the original American proposal, since he believed there would now be no cooperation at all on the part of Albania, Bulgaria, and Yugoslavia.

In an address on October 7 the Yugoslav Rep-
representative, Dr. Ales Bebler, repeated all the old charges against the Commission and even asserted that the Belgian Representative, General Delvoie, had been ordered to change his views as to the conclusions. Finally, he declared that he was not surprised at the withdrawal of the “guilt clause” in the American resolution, although he felt that the entire resolution should be withdrawn, since it was based on accusations which “in world public opinion” were “absolutely untenable”. In conclusion, Dr. Bebler stated:

1. Yugoslavia has not provoked civil war in Greece and offers no material assistance to the Democratic Army of Greece; it limits itself to giving asylum to Greek citizens whose persecutions oblige them to leave their country; it is done in the spirit of the Yugoslav constitution and of international law, inspired by a profound sympathy for the aspirations of the Greek people to independence and liberty; Yugoslavia threatens in no way the independence and the integrity of Greece; its attitude toward the elements in Greece is in full harmony with the Charter of the United Nations.

2. All the accusations against Yugoslavia are based exclusively on falsehoods and mystifications; they are made with the intention to conceal the truly guilty parties and to lead both the Greek people and world public opinion into error.

3. It is the accusers of Yugoslavia who have provoked the war in Greece; it is they who have sent and send into Greece arms and troops who have imposed and impose on the Greek people regimes in their service; who stifle the will of the people; it results clearly from all this that it is they who have reduced to nothing both the independence and the territorial integrity of Greece.92

The Committee should, therefore, draw its conclusions—on it would rest “the entire responsibility”.

Premier Spaak immediately replied to the insults which had been cast in his direction, reading the text of the telegram which he had sent to General Delvoie instructing him to make up his own mind as to the conclusions of the Commission.93 Hector McNeil, of the United Kingdom, who did not doubt that when Dr. Bebler had recovered from his hysteria he would apologize, declared that the British Representative on the Commission “had been free to reach decisions according to his own judgment”.

M. Unden, of Sweden, was convinced of the necessity of a commission, but believed that responsibility should not be fixed in the resolution, in the interest of cooperation. Ambassador Belt, of Cuba, thought the essential cause of the trouble in Greece was not frontier incidents, but simply “the rising antagonism between the United States and the U.S.S.R.”. He suggested that the Assembly not find anyone guilty, but request the parties to settle their difficulties in a friendly manner. He thought the Assembly should establish a special commission “to supervise the fulfillment of these recommendations and investigate whether political and economic independence existed in Albania, Bulgaria, Hungary, Poland, Roumania and Yugoslavia”. Mr. Langhelle, of Norway, thought that among the many causes of the Greek problem were the tension between Greece and its neighbors and the internal conflict within Greece.98 The situation was dangerous, he felt, because of the interests of the other powers. He believed the evidence of the Commission and the Subsidiary Group showed that some assistance, although it was not great, had been given to the Greek guerrillas, but the fact that it had not been stopped constituted a “sin of omission”. Mr. Langhelle thought the Ameri-

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94 Ibid., p. 5.
95 Ibid., p. 6. For text of Swedish resolution see U.N. doc. A/C.1/205.
97 Ibid., pp. 6–7.
98 Ibid., pp. 7–8.
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can resolution did not solve the problem and he supported the Swedish proposal.

The debate was closed on October 7 by Mr. Melas, of Greece, with a moderate address in which he reminded the Committee of article 2 (7) of the Charter regarding the internal affairs of member states. He reviewed the internal history of Greece since liberation, pointing to both British and American assistance and to the free elections, under international supervision. All that Greece asked, he said, was that its right to live free from interference be respected.

The Decision of the Political and Security Committee

By October 8 the Political and Security Committee was ready to vote on the various proposals which had been submitted to it. Mr. Muniz, of Brazil, indicated that he would accept the French amendment to the American resolution, provided there were assurances as to Albanian, Bulgarian, and Yugoslav cooperation, a proposal supported by Mr. Johnson. Mr. Mevorah and Mr. Heba had had no instructions from their Governments, and Dr. Bebler, of Yugoslavia, declared that his country, as a "founder Member of the United Nations" was "fully conscious of her duties under the Charter." Mr. Melas, however, reiterated that Greece was ready faithfully to implement the recommendations of the Assembly.

Mr. Johnson was convinced of the guilt of the northern neighbors of Greece but was prepared, in a conciliatory spirit, to accept the French amendment if all four parties would cooperate with the projected special committee. M. Delbos regretted the conditional acceptance of his amendment but reminded Mr. Vyshinsky that conciliatory compromise did not necessarily carry evil connotations. Mr. Vyshinsky, however, urged a vote. Since the French amendment did not exclude the element of guilt, Mr. Mevorah indicated that the Bulgarian reply would be in the negative.

There was further argument, especially regarding procedure. Mr. Johnson noted that no promise of cooperation had been forthcoming from Albania, Bulgaria, and Yugoslavia, while Mr. McNeil professed his inability to understand the Vyshinsky logic. Mr. McNeil presented an amendment to the American proposal (paragraph 3), and M. Spaak made a suggestion, which was approved by 34 votes to 6, with 12 abstentions, whereby the Committee would vote on paragraphs 5 to 14 of the American resolution before reaching a decision as to the "guilt clauses" in the first paragraphs.

The Committee then voted as follows:

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In the brief discussion which followed, the Representatives of Norway, Sweden, and Denmark announced that they had abstained because of their preference for the Swedish proposal, which was now withdrawn. Both Mr. Mevorah and Mr. Heba indicated that they could accept neither the French amendment nor the conditions for cooperation. Finally, the Chairman read the following list of members of the special committee, as proposed by the United States: Brazil, Mexico, the Netherlands, Poland, Australia, Pakistan, and the five permanent members of the Security Council.

Mr. Lopez, of Colombia, however, proposed that the Special Committee be composed of the nonpermanent members of the Security Council.

On October 9, the Chairman reminded the Committee that it would have to decide on the membership of the special committee, and called attention...
to both the United States and the Colombian proposals. Ambassador Belt, of Cuba, indicated that he could not accept the American proposal, and circulated an amendment that none of the members should be nationals of the countries involved in the dispute. There was some support for the Cuban proposal from Venezuela, Chile, and Mexico, but Mr. Johnson indicated that membership of the Great Powers was a necessity if a lasting solution were to be achieved. He also felt that it was desirable to convince the Soviet Union that the United States had no ulterior motives in Greece by giving the Soviet member full freedom to observe conditions.

The representatives of the eastern European states were unimpressed with this line of reasoning, however. Mr. Vyshinsky declared that the vote on October 8 had been taken in violation of the rules of procedure and charged that establishment of a special committee would violate both the national sovereignty and the principles of the Charter. His Delegation would not approve establishment of such a committee and would not participate in its work. Similar sentiments were echoed by the Representatives of Yugoslavia, Poland, Czechoslovakia, Byelorussia, and the Ukraine. Dr. Bebler, who repeated his charges of bias against the Commission of Investigation, also declared that while the Soviet position was an act of friendship toward Yugoslavia, the establishment of a special committee would be a hostile act.

Mr. Vyshinsky then launched into a bitter attack against the procedure which had been adopted in voting on the American resolution, charging that the rights of the minority had been violated, and declaring that in his conception of democracy, the rights of “the minority should be heard and its views respected.” He had submitted no amendments because he was in fundamental disagreement with the entire principle on which the American resolution rested. Moreover, he saw no difference at all between the French amendment and the original resolution, and stated that the amendment of the United Kingdom was even less conciliatory.

Most representatives, however, thought that the procedure had been fully in order. Mr. Johnson, furthermore, held that permanent members should be represented on the special committee, and that members of that body should be government representatives, “these Governments being responsible to the General Assembly”, although he was willing to consider the suggestion of the Colombian Delegation regarding composition of the committee.

The debate for the day concluded with Mr. Modzelewski, of Poland, reminding the Committee that it was not by majorities, but by finding acceptable solutions, that the Greek problem would be solved, and with Mr. Melas indicating his failure to understand how representatives who had taken part in the voting could now challenge that the “procedure had been illegal.”

The next day, October 10, by a vote of 27 to 7, with 9 abstentions, the Committee decided to continue with its discussion of the composition of the special committee and then to dispose of an Egyptian proposal for the appointment of a new drafting subcommittee for the purpose of reconciling the various proposals which had been made. Mr. Ilsley, of Canada, who thought the Greek question more grave than that of Palestine, since it involved “the question of maintenance of international peace and security”, then proposed that the special committee be composed of Australia, Brazil, China, France, Mexico, the Netherlands, Pakistan, the United Kingdom, and the United States, seats being held open for Poland and the Union of Soviet Socialist Republics. Mr. Johnson accepted this suggestion, hoping for the participation of Poland and the Soviet Union, a feeling which was generally shared. Mr. Unden, of Sweden, expressing the view of the Scandinavian countries, stated that he could not see that the draft resolution of the United States was incompatible with the sovereign rights of states, and declared that,

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2 U.N. doc. A/C.1/SR/70, pp. 2–6. For verbatim remarks of Dr. Bebler and Dr. Lange, see verbatim record, pp. 32–41, 202–211.
3 U.N. doc. A/C.1/SR/70, pp. 8–9; verbatim record, pp. 105–120.
7 U.N. docs. A/C.1/SR/71, pp. 2–3; A/C.1/211.
once adopted, it was the duty of all to cooperate in order to insure peace and security. The Swedish Representative believed that the special committee should be composed of outstanding personalities and, since the American resolution was based on the principle of representation, his Delegation would abstain from voting on composition but would not reject the establishment of such a committee. Mr. Gromyko, however, who recalled the reasons for the refusal of the Soviet Union to participate in the special committee, thought it incorrect to decide on the composition of the committee before all other pending proposals had been discussed and decided upon.\textsuperscript{4}

\textbf{The Final Vote of the Political and Security Committee}

Once more the Committee proceeded to vote, first on the Cuban proposal, which was rejected by 22 to 4, with 19 abstentions.\textsuperscript{19} The Colombian proposal was then considered. Mr. Johnson indicated his inability to accept it as an amendment, and rejected Dr. Lopez' contention that the Greek situation essentially involved a conflict between the United States and the Soviet Union. He declared that the United States “only wanted to uphold the political independence and territorial integrity of Greece, which it considered seriously endangered.” In quick order the Colombian proposal as to membership was rejected by 14 to 3, with 26 abstentions, while the Canadian proposal as to membership was approved by 32 to 1, with 12 abstentions.\textsuperscript{19} The Delegates of Poland, the Ukraine, Byelorussia, and Yugoslavia announced that they had not voted at all, but the Chairman indicated that there was no category for representatives present but not participating in the vote.\textsuperscript{17}

Following this maneuver the Egyptian proposal to establish a drafting subcommittee was rejected by 23 to 6, with 18 abstentions.\textsuperscript{18} With the rejection, by a vote of 29 to 6, with 16 abstentions, of the Colombian amendment to delete any condemnation from the final resolution,\textsuperscript{19} the Political and Security Committee was essentially ready to vote on the American resolution as a whole.

There was, however, more discussion on October 11 prior to the final vote.\textsuperscript{20} Although the representatives of the eastern European states continued to challenge the procedure in voting and also to oppose the “guilt clause” even in modified form, M. Delbos announced acceptance of the British amendment,\textsuperscript{21} declaring that his object was to “obtain the largest possible majority”. In so acting the Committee would merely note the findings of the Commission, and M. Delbos thought the majority of the Commission had “clearly established that Albania, Bulgaria, and Yugoslavia had facilitated the action of the Greek partisans, particularly as regards the constant crossings of the northern frontiers of Greece”. Mr. Johnson reiterated his conviction as to the findings of the Commission, but was ready to accept the Anglo-French amendment. This was, likewise, substantially the position of Mr. McNeil.

The reply of Mr. Vyshinsky, however, was to reiterate his charges as to the voting procedure and as to the situation in Greece,\textsuperscript{22} and then to state categorically that the Soviet Union would take no part in the activities of the special committee. Mr. Johnson reiterated his own confidence in the accuracy of the Commission of Investigation, while M. Delbos expressed a similar view and reaffirmed that the Report constituted a sufficient justification for the establishment of a new special committee. As the debate continued, Sir Carl Berendsen, of New Zealand, wondered why Yugoslavia was so opposed to the establishment of a special committee if, as asserted, it was merely giving asylum to political refugees. The discussion ultimately closed with Dr. Lange, of Poland, repeating that his country could not participate in the work of the special committee, but stating that it “was ready to assist in any attempt at conciliation in accordance with the spirit of the Charter.”\textsuperscript{21}

The Political and Security Committee then resumed its voting on the American resolution and

\textsuperscript{*} Ibid., p. 4.
\textsuperscript{19} Ibid., pp. 4–6.
\textsuperscript{**} Ibid., pp. 6–7.
\textsuperscript{1} Ibid., p. 9.
\textsuperscript{16} Ibid., p. 8.
approved the first paragraph of the Anglo-French amendment on the “guilt clause” by 32 to 7, with 13 abstentions. The second paragraph, calling on Albania, Bulgaria, and Yugoslavia to do nothing which could aid the Greek guerrillas, was approved by 34 to 7, with 11 abstentions. The first two paragraphs of the American resolution, as amended, were then approved by 37 votes with 14 abstentions and 38 votes with 14 abstentions, respectively. The American resolution as a whole was then approved by 36 to 6, with 10 abstentions. The day concluded with Dr. Bebler charging that “the majority of the Committee was guilty of an act of grave injustice against his country. Yugoslavia would draw her own conclusions.”

The Soviet Proposal

There was something of a renewal of the debate on October 13, when the Soviet resolution, which leveled responsibility on the Greek Government and called for the removal of foreign troops from Greece and for supervision of American economic assistance, came up for a vote. The Representatives of the Soviet Union, Poland, Yugoslavia, Byelorussia, and the Ukrainian S.S.R. repeated all their charges regarding both the Commission of Investigation and British and American policy in Greece. All felt that only the Soviet resolution got at the heart of the matter by offering a “genuine” solution based on an “objective consideration” of the “facts”. Mrs. Sekaninova, of Czechoslovakia, summed up the position by stating:

Whereas the United States proposal was not based on any fact established objectively and did not permit either the Committee or the Assembly to assume their responsibilities, the Soviet resolution gave a clear analysis of the situation and proposed a solution to the problem based on the principles of the Charter and the sovereignty of States.

There were brief replies to the representatives of the eastern European states, especially from Mr. McNeil and Mr. Johnson, the latter recalling that

The Administrative and Budgetary Committee

Following acceptance by Committee I of the proposal to establish a special committee, the problem was referred on October 18 to the Administrative and Budgetary Committee, which was asked to give “urgent priority” to the financial aspects of the matter. The Committee was advised of the work of Committee I, and budgetary estimates were based on the understanding that there would be some 25 members of the secretariat, together with 8 people locally recruited, with headquarters at Salonika for the remainder of 1947 and for the full year 1948.

In the discussions of the Committee on October 18, an attempt was made to avoid political discussion, although it was not entirely successful. The representatives of the eastern European states announced *seriatim* that they would not participate in any way in the work of the commission and sought to prevent, by one means or another, any recommendation as to appropriations, although this move was rejected by 31 to 6, with 6 abstentions. Finally the estimates, involving a sum of $611,440, were approved by 32 to 6, with 7 abstentions.

The General Assembly

The General Assembly spent two days discussing the Greek problem, finally approving the American resolution on October 21. The debate was opened on the afternoon of October 20, when the reports of the Political and Security and Administrative Budgetary Committees were presented to the plenary session.
Mr. Vyshinsky began the formal discussion with a two-hour statement, repeating all his earlier arguments and indicating that his adversaries had not bothered to reply. Among other things, he charged falsification of documents in the Commission of Investigation but admitted that Greek guerrillas had received assistance from Albania, Bulgaria, and Yugoslavia in the form of sanctuary and hospitalization, but nothing else. Dr. Lange made the same general observations and finally offered a resolution in which he called for the removal of all foreign military missions, instructors, and other military experts from Greece, and asked for a report to the Secretary-General on this matter not later than January 1, 1948. Jan Masaryk announced his opposition to the American resolution, expressing the view that the money appropriated for the special committee would be wasted and indicating that he was more convinced than ever that the "findings, accusations, and conclusions" of the Commission made up "an unsatisfactory document" from which to build a permanent structure of peace in Greece.

Mr. Johnson reaffirmed his confidence in the findings of the Commission, and then described the resolution which had just been approved by the Political and Security Committee. He expressed regret that both the Soviet Union and Poland had declared their inability to participate in the work of the special committee, but argued that the United Nations would increase its ability to meet future tests and to take new steps toward the extension of the benefits of the Charter, and thereby contribute to the cause of peace, by approving the resolution.

The discussion continued with a statement by Ambassador Kosanovic, of Yugoslavia, who gave his version of the history of the Greek case and, once more, repeated all the charges against the Commission, the Greek Government, the United States, and the United Kingdom. While all the other Balkan countries had, through "democracy", solved their problems peacefully, he asserted, "only Greece" had "remained outside this democratic renaissance in the Balkans."

Dr. Evatt opened the debate on October 21. Among other things he upheld the work of the Commission of Investigation, dismissing the charges against it as "the old story—you appoint someone to find out the facts, and if the verdict is against you—like disappointed litigants—you do not like the inquiry." Dr. Evatt also noted the failure of Albania, Bulgaria, and Yugoslavia to cooperate with the Subsidiary Group and to offer any indication whatsoever that they would cooperate with the special committee, but also pointed to the identical language and the concerted tactics employed in refusing cooperation, stressing the Bulgarian-Yugoslav agreement of August 2, 1947, in this connection. In conclusion, he remarked:

I believe that the appointment of this commission will not only add to the prestige of the United Nations in that it can see that the threat of force or the application of force is not made surreptitiously and secretly without an open declaration of war, but it will ultimately assist in the protection of the people of Greece so that they will have a chance to reconstruct their shattered economy, and they will be able to lead decent lives as citizens of a country which has rendered epic service to the heroic cause of the Allies in the great war.

The debate continued with Mr. Tsaldaris denying charges which had been made against him, particularly regarding an alleged proposal at the Paris Peace Conference in 1946 to partition Albania between Greece and Yugoslavia, and indicating that if members did not vote in favor of maintaining United Nations principles "the edifice of our organization will be undermined." Mr. Kiselev, of Byelorussia, repeated the Soviet thesis, as did Dr. Manuilsky, of the Ukraine. M. Delbos, who had been bitterly attacked during the course of the debate, declined to reply to ad hominem arguments. He pointed out that the adversaries of the resolution had done—
their utmost to prove that Yugoslavia, Albania and Bulgaria are not responsible for the situation which prevails at present. We perfectly well understand that the three countries involved, and Yugoslavia in particular, which is a charter member of our Organization, seek to deny accusations which they consider unsound or unfounded. That is natural, but the more they insist on proving their innocence, the more they prove their conviction that they do not have the right to interfere in the internal affairs of a neighbouring country.

M. Delbosc could not understand the argument concerning national sovereignty, which had been used against the establishment of a special committee, and believed that the violent language and vituperation which had been employed in the debate by certain delegations would not serve the cause of world peace. Hector McNeil, anxious not to prolong the debate, felt that the charges made by the representatives of the eastern European states had been well handled by Dr. Evatt, and believed that the repeated production of “a mosaic of parrot cries, a jigsaw puzzle of pieces and snippets achieved by much diligence, much glue and much scissor work” was not a good substitute for reasoned deliberation.44

Finally, before the vote was taken, Mr. Gromyko reiterated that the Soviet Union would take no part in the special committee which was about to be established by the General Assembly. Holding open a seat for the Soviet Union was, therefore, “meaningless and useless.”45

The vote was then taken on the resolution originally proposed by the United States, as amended by the United Kingdom, Canada, and France, which had been approved by the Political and Security Committee on October 11 by a vote of 36 to 6, with 10 abstentions. In conclusion, it was approved in the General Assembly by a vote of 40 to 6, with 11 abstentions.46 The Polish resolution was then rejected by a vote of 34 to 7, with 16 abstentions. Mr. Vyshinsky attempted to obtain a paragraph-by-paragraph roll-call vote on the Soviet resolution, but the President objected and was sustained by a vote of 25 to 9. The Soviet resolution was then rejected by a vote of 41 to 6, with 10 abstentions.47

Text of Resolution Submitted by the First Committee 46

Threats to the Political Independence and Territorial Integrity of Greece

1. WHEREAS the peoples of the United Nations have expressed in the Charter of the United Nations their determination to practise tolerance and to live together in peace with one another as good neighbours and to unite their strength to maintain international peace and security; and to that end the Members of the United Nations have obligated themselves to carry out the purposes and principles of the Charter;

2. The General Assembly of the United Nations, Having considered the record of the Security Council proceedings in connexion with the complaint of the Greek Government of 3 December 1946, including the report submitted by the Commission of Investigation established by the Security Council resolution of 19 December 1946 and information supplied by the Subsidiary Group of the Commission of Investigation subsequent to the report of the Commission;

3. Taking account of the report of the Commission of Investigation which found by a majority vote that Albania, Bulgaria and Yugoslavia had given assistance and support to the guerrillas fighting against the Greek Government;

4. Calls upon Albania, Bulgaria and Yugoslavia to do nothing which could furnish aid and assistance to the said guerrillas;

5. Calls upon Albania, Bulgaria and Yugoslavia on the one hand and Greece on the other to co-operate in the settlement of their disputes by peaceful means, and to that end recommends:

(1) That they establish normal diplomatic and good neighbourly relations among themselves as soon as possible;

(2) That they establish frontier conventions providing for effective machinery for the regulation and control of their common frontiers and for the pacific settlement of frontier incidents and disputes;

(3) That they co-operate in the settlement of the problems arising out of the presence of refugees in the four

U.N. doc. A/PV/100, pp. 53–82.
Ibid., pp. 82–90.
Ibid., pp. 83–100. See annex for record vote.

45 Adopted at the 100th plenary meeting of the General Assembly on Oct. 21, 1947.

Supplement, December 7, 1947
THE PROBLEM OF GREECE

States concerned through voluntary repatriation wherever possible and that they take effective measures to prevent the participation of such refugees in political or military activity;

(4) That they study the practicability of concluding agreements for the voluntary transfer of minorities;

6. Establishes a Special Committee:

(1) To observe the compliance by the four Governments concerned with the foregoing recommendations;

(2) To be available to assist the four Governments concerned in the implementation of such recommendations;

7. Recommends that the four Governments concerned co-operate with the Special Committee in enabling it to carry out these functions;

8. Authorizes the Special Committee, if in its opinion further consideration of the subject matter of this resolution by the General Assembly prior to its next regular session is necessary for the maintenance of international peace and security, to recommend to the Members of the United Nations that a special session of the General Assembly be convoked as a matter of urgency;

9. Decides that the Special Committee

(1) Shall consist of representatives of Australia, Brazil, China, France, Mexico, the Netherlands, Pakistan, the United Kingdom and the United States of America, seats being held open for Poland and the Union of Soviet Socialist Republics;

(2) Shall have its principal headquarters in Salonika and with the co-operation of the four Governments concerned shall perform its functions in such places and in the territories of the four States concerned as it may deem appropriate;

(3) Shall render a report to the next regular session of the General Assembly and to any prior special session which might be called to consider the subject matter of this resolution, and shall render such interim reports as it may deem appropriate to the Secretary-General for transmission to the Members of the Organization; in any reports to the General Assembly the Special Committee may make such recommendations to the General Assembly as it deems fit;

(4) Shall determine its own procedure, and may establish such sub-committees as it deems necessary;

(5) Shall commence its work within thirty days after the final decision of the General Assembly on this resolution and shall remain in existence pending a new decision of the General Assembly.

10. The General Assembly

Requests the Secretary-General to assign to the Special Committee staff adequate to enable it to perform its duties, and to enter into a standing arrangement with each of the four Governments concerned to assure the Special Committee, so far as it may find it necessary to exercise its functions within their territories, of full freedom of movement and all necessary facilities for the performance of its functions.

Tabulations of Voting

TABLE I

The Vote on the United States Resolution, Committee I, October 8 and 11, 1947

(U.N. docs. A/C.1/191; A/C.1/SR/69, p. 7; A/C.1/SR/72, pp. 9–10; and A/409)

<table>
<thead>
<tr>
<th>Proposal</th>
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| Paragraph 7 (U. N. doc. A/C.1/191) on cooperation with special committee. | (39) | (6) | . | (8). |
| Paragraph 11 on reports of special committee. | (39) | (6) | . | (10). |
| Paragraph 12 on procedure | (38) | (6) | . | (10). |
### TABLE I

**The Vote on the United States Resolution, Committee I, October 8 and 11, 1947—Continued**

<table>
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<th>Proposal</th>
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<tr>
<td>Paragraph 13: special committee work in 30 days.</td>
<td>(36) . . . . . . . . . . .</td>
<td>(6) . . . . . . . . . . .</td>
<td>(10) . . . . . . . . . . .</td>
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<tr>
<td>Paragraph 14: staff, facilities.</td>
<td>(39) . . . . . . . . . . .</td>
<td>(6) . . . . . . . . . . .</td>
<td>(9) . . . . . . . . . . .</td>
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### TABLE II

**The Vote on the Colombian Amendment (Part I) to the United States Resolution, Committee I, October 10, 1947**

(U. N. docs. A/C.1/SR.71, pp. 8-9; A/C.1/210)

<table>
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### TABLE III

#### The Vote on the Soviet Resolution (U.N. Doc. A/C.1/199), Committee I, October 13, 1947

(U.N. doc. A/C.1/SR.73, pp. 11–14)

<table>
<thead>
<tr>
<th>Proposal</th>
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<tr>
<td><strong>Part I, Preamble . . .</strong></td>
<td>(7) Byelorussian S.S.R., Czechoslovakia, India, Poland, Ukrainian S.S.R., U.S.S.R.</td>
<td>(39) Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, China, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, Iceland, Iran, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Siam, South Africa, Sweden, Turkey, U.K., U.S.A., Uruguay.</td>
<td>(10) Afghanistan, Colombia, Egypt, Iraq, Lebanon, Liberia, Saudi Arabia, Syria, Venezuela, Yemen.</td>
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**Part II, Paragraph 1**
(Greece to end frontier incidents).

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<th>Proposal</th>
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**Part II, Paragraph 2**
(normal diplomatic relations).

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**Part II, Paragraph 3**
(frontier conventions).

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**Supplement, December 7, 1947**
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<tr>
<td><strong>Part II, Paragraph 6 (compliance).</strong></td>
<td>(6) Byelorussian S.S.R., Czechoslovakia, Poland, Ukrainian S.S.R., U.S.S.R., Yugoslavia.</td>
<td>(31) Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, Costa Rica, Cuba, Dominican Republic, El Salvador, Ethiopia, France, Greece, Honduras, Iceland, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Pakistan, Panama, Paraguay, Peru, Philippines, Turkey, South Africa, U.K., U.S.A., Uruguay.</td>
<td>(20) Afghanistan, China, Colombia, Denmark, Ecuador, Egypt, Guatemala, Haiti, India, Iran, Iraq, Lebanon, Liberia, Norway, Pakistan, Saudi Arabia, Siam, Sweden, Syria, Venezuela, Yemen.</td>
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### TABLE IV

**The Vote in the General Assembly**

*The United States Resolution, October 20, 1947*

(U.N. docs. A/409/Corr. 1; A/PV/100, pp. 93–100)

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### The Vote in the General Assembly—Continued

#### The Polish Resolution, October 20, 1947

(U.N. doc. A/PV/100, pp. 102–103)

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#### The Soviet Resolution

(U.N. doc. A/PV/100, pp. 121–122)

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<tr>
<td>(6) Byelorussian S. S. R., Czechoslovakia, Poland, Ukrainian S. S. R., U. S. S. R., Yugoslavia.</td>
<td>(41) Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, France, Greece, Haiti, Honduras, Iceland, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Siam, Sweden, Turkey, South Africa, U. K., U. S. A., Uruguay, Venezuela.</td>
<td>(10) Afghanistan, Egypt, Guatemala, India, Iran, Iraq, Lebanon, Saudi Arabia, Syria, Yemen.</td>
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EVIDENCE CONCERNING GREEK FRONTIER INCIDENTS

When the Subsidiary Group of the Commission of Investigation Concerning Greek Frontier Incidents ceased to exist as a formal body on September 17, 1947, as a result of the double veto of the Soviet Representative in the Security Council, it had held 122 meetings, had received written and oral evidence from more than 130 witnesses, and had accumulated about 4,000 pages of material. These meetings were held in the headquarters at Salonika; at Damaskinon, Sidirokastron, Ormenion, Milia-Therapio, Koula, and Metaxades on the Greek-Bulgarian frontier; at Mikrovryssi and Mories on the Greek-Yugoslav frontier; and at Yannina and Lithari on the Greek-Albanian frontier. The Subsidiary Group made investigations of the following incidents:

On the Bulgarian frontier. (1) The Angistron Lipa incident of April 15–18, 1947, and the Kapnotopos incident of April 17, 1947; (2) the Pentalofos incident of May 14, 1947; (3) the Therapio incident of May 17–18, 1947; (4) the Echinos incident of May 19, 1947; the Milia-Therapio incident of June 21, 1947; (5) the Metaxades incident of June 23, 1947; (6) the Ormenion incident of June 28, 1947; (7) the Ormenion incident of July 4, 1947.

On the Yugoslav frontier. (1) The Kouka-Palaion-Triethnes incident of March 31–April 1, 1947; (2) the Skra incident of April 3–8, 1947; (3) the Beles incident of April 21, 1947; (4) the Skra incident of May 24, 1947; (5) the Beles-Prokhoma incident of July 5–6, 1947.

On the Albanian frontier. (1) The Sarantoporos Bania incident of May 19–20, 1947; (2) the Konitsa incident of July 11–13 and related events.

The evidence of complicity in incidents on the part of Albania, Bulgaria, and Yugoslavia in the cases examined is impressive to the point of being conclusive, although it is based only on materials and witnesses presented by the Greek Liaison Representative because of the fact that the Albanian, Bulgarian, and Yugoslav Governments, despite their announced intention to cooperate with the Subsidiary Group, refused to permit any investigation on their soil under conditions which would allow an objective investigation.

INCIDENTS ON THE GREEK-BULGARIAN FRONTIER

The Greek Government referred to the Subsidiary Group no less than seven frontier incidents, involving bands crossing frontiers, receiving hospitalization, arms and ammunition, and other assistance from Bulgarian authorities.

The Angistron Lipa and Kapnotopos Incidents

Description of incident. On May 14, 1947, the Greek Liaison Representative called the attention of the Subsidiary Group to incidents alleged to have occurred in the Angistron Lipa and Kapnotopos areas along the Greek-Bulgarian frontier, north of Eilkis. Although the Soviet Representative sought to delay action by the Subsidiary Group, that body reached a decision on May 27.

The first incident charged by the Greek Liaison Representative concerned a band of 170 guerrillas who attacked the Greek frontier post at Angistron
THE PROBLEM OF GREECE

Lipa and Krassohoriat at 7 a.m. on April 15, 1947. On the next day a Greek platoon near Angistron was fired upon by some 40 guerrillas from 200 meters inside the Bulgarian frontier. On April 16 at 3:30 p.m. Greek guerrillas were seen fleeing into Bulgarian territory. It was also charged that guerrillas could be seen entering and returning from Bulgarian territory on April 17 and 18. A Greek passport officer, Bartholos, and a Bulgarian frontier officer, Captain Yiagov, met twice for consultation on this incident on the same day and the next day, but nothing came from the consultation.

The second incident concerned the evacuation under escort into Bulgaria of four wounded Greek guerrillas on April 12 from Kalyvia-Karali by nine guerrillas, who entered Bulgarian territory on Easter night, April 13, and subsequently returned to Greece to rejoin their bands.7

Examination by the Subsidiary Group. Two Greek witnesses, Fotios Fotiadhis and Dimitrios Papapavlov, testified before the Subsidiary Group on June 2 at Damaskinon and Sidirokastron concerning the so-called Kapnotopos incident. Fotiadhis, who was a member of a band composed of 180 guerrillas, testified that some of these guerrillas—135 in all—crossed into Bulgaria, that wounded were transferred into Bulgaria, and that new weapons which the guerrillas received came from Bulgaria. Dimitrios Papapavlov, also a guerrilla, declared that on April 4 about midnight his band crossed the frontier near Kalyvia-Karali, although he personally did not. He knew the four wounded guerrillas who were taken into Bulgaria.8

The Greek case with respect to these incidents rested primarily on the testimony of four witnesses—Apostolos Arvantides, Petros Rachmanides, Christos Yiantsos, and Stavres Charghavanis—who claimed to have participated in the Angistron Lipa and Kapnotopos incidents. The Subsidiary Group declared that it would enter Bulgarian territory on June 2 at Koula. Although the Bulgarian Government agreed in principle on June 1, it requested 10 days to prepare for the reception of the Group and asked for the list of persons to cross the frontier.9

The Bulgarian requests were accepted, and on June 2 the Bulgarian Government was informed of the Subsidiary Group's consent to examine the Bulgarian witnesses on June 11 at Koula. At the same time the Bulgarian Government was asked to instruct the frontier authorities to allow the Subsidiary Group to enter Bulgarian territory at Koula and Mt. Lipa to make an interim investigation of the Greek allegations.10

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10 For testimony see U.N. docs. S/AC.4/SG/PV/13, pp. 4-27 (Arvantides); ibid., pp. 28-45 (Rachmanides);
11 To Berkovista; that 400 to 500 Greek guerrillas were encamped under Bulgarian supervision at Berkovista, where hospital facilities were provided and political indoctrination carried on; that 150 of the Berkovista inmates were sent back to Greece in three detachments, having been armed and supplied at the frontier on May 3, 7, and 10 to 11. Each of the witnesses claimed to have been a member of one of the three expeditions. Two of the witnesses claimed to have personal knowledge that certain guerrillas were hospitalized in the camp at Berkovista. Still another witness, Alexandros Nikolaides, who took part in the attack on Krassohoriat April 15, testified that the partisans who fought in that encounter entered Bulgaria. He said, 'I saw them with my own eyes.'

Attitude of the Bulgarian Government. Because of delays, the obstructionist attitude on the part of the Bulgarian Government, and its initial refusal to appoint a Liaison Representative with the Subsidiary Group, that body was not able to examine Bulgarian witnesses concerning the Angistron Lipa and Kapnotopos incidents.

The Subsidiary Group communicated with the Bulgarian Government on May 28, 1947, requesting it to facilitate the investigation of the alleged incidents, asking for 11 specified Bulgarian witnesses, and inviting it to present any witnesses it desired. The Subsidiary Group declared that it would enter Bulgarian territory on June 2 at Koula. Although the Bulgarian Government agreed in principle on June 1, it requested 10 days to prepare for the reception of the Group and asked for the list of persons to cross the frontier.11

The Bulgarian requests were accepted, and on June 2 the Bulgarian Government was informed of the Subsidiary Group's consent to examine the Bulgarian witnesses on June 11 at Koula. At the same time the Bulgarian Government was asked to instruct the frontier authorities to allow the Subsidiary Group to enter Bulgarian territory at Koula and Mt. Lipa to make an interim investigation of the Greek allegations.13
The Subsidiary Group arrived at Mt. Lipa about noon on June 3 to examine the ground a few hundred yards inside the Bulgarian frontier, a site connected with the Angistron Lipa incident, but was refused entry. Subsequently, on June 4, the Bulgarian Government explained that because of insufficient time and the absence of a qualified Bulgarian representative it had decided to postpone entry of the Subsidiary Group and proposed that it conduct and complete its investigation on June 11. This communication was received on June 5. Therefore, the Group carried on its investigation only on the Greek side of the frontier. On June 5, another message was sent to the Bulgarian Government stating that the Group would probably bring five Greek witnesses connected with the incidents under investigation and transmitted their names. In a further communication on June 6, the Bulgarian Government was requested to transmit immediately the list of its witnesses and the itinerary and program arranged for the Subsidiary Group. Another message on June 7 declared that it would be necessary to have the five Greek witnesses cross the border. On June 8, the Bulgarian Government replied that the Subsidiary Group could proceed as proposed.

In view of the evidence accumulated on the Greek side of the frontier, the Subsidiary Group, on June 9, unanimously decided to visit the alleged guerrilla camp at Berkovitsa and to send a message to the Bulgarian Government requesting the necessary facilities for a visit to Berkovitsa and for other possible visits necessitated by the investigation.

The Subsidiary Group arrived at the Bulgarian frontier post at Koula on June 11, having received no reply to its message of June 9 regarding a visit to Berkovitsa. Although the Group had been promised “all facilities”, the Bulgarian Representative at Koula, George Andreychine, who had been a member of the Bulgarian Liaison Representation with the Balkan Commission, refused to allow the Greek witnesses to enter Bulgaria with the Subsidiary Group. He also asserted that he had no instructions to facilitate the Group’s visit to Berkovitsa and declared that no arrangements had been made for the Group to spend the night on Bulgarian soil. He therefore suggested that the Subsidiary Group could hear the 11 Bulgarian witnesses that afternoon and then return to Greece immediately after the hearings. Under these circumstances the Group decided by majority vote to return to Salonika without entering Bulgaria or hearing the Bulgarian witnesses. The Representative of the Soviet Union dissented, and the Chinese and Belgian Representatives abstained for technical reasons, not because they necessarily disagreed with the majority view.

On June 13, after considerable discussion, the Subsidiary Group decided to send a full report to the Commission concerning the Bulgarian refusal to cooperate in the investigation of the Angistron Lipa and Kapnotopos incidents. During the discussion of the report, a number of representatives expressed their astonishment at the Bulgarian attitude, although the Bulgarian Government was vigorously defended by the Soviet Representative, who contended that it had not had time to make preparations. Colonel Miller, the Representative of the United States, declared:

“In the first place, in the opinion of the United States delegation, the Bulgarian Government has failed to fulfill the obligation it had accepted toward the Subcommission of the United Nations, acting under the authority and in full accord with the terms of reference which were fixed by the Main Commission in conformity with the action of the Security Council.

“In the second place, the Bulgarian action had been deliberately directed toward the delay of the work of the Subcommission and the limiting of its authority.

“In the third place, to have crossed the frontier on the terms proposed by the Bulgarian Government yesterday would have established a precedent with the gravest implications for the future not only of the Subcommission but, in my opinion, of the United Nations Organization itself. In so doing, the Subcommission would, in effect, have recognized the right of an interested government—which itself recognized our right of entry—to decide not only when, but where and how the investigation by the Subcommission was to be carried on.”

In the report to the Commission the Subsidiary

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Group, with the Soviet Representative dissenting and the Belgian and Chinese Representatives abstaining, declared its opinion that “the attitude of the Bulgarian authorities is evidence of a desire to obstruct rather than to cooperate with the Subcommission in its investigation of the Angistron Lipa and Kapnotopos incidents.”

The problem was brought to the attention of the Commission in New York on June 25, and despite the attempt of the Soviet and Polish Representatives to argue that the Commission no longer existed as a body and could not, therefore, deal with the matter, the Commission sent instructions to the Subsidiary Group to complete its investigation, calling attention to a letter from the Bulgarian Representative on the Security Council indicating Bulgaria’s desire to cooperate with the United Nations. The Security Council itself was advised of this action in a communication of June 26, 1947, from the Chairman of the Commission.

On June 30, the Bulgarian Government appointed George Andreychine as Liaison Representative with the Subsidiary Group, and he attended the meeting of July 9. At the discussion of July 10 and 11, the Bulgarian Liaison Representative was asked questions concerning the Bulgarian attitude, but his replies only confirmed the earlier position of his Government. The Bulgarian Government was ready to provide the Group with facilities for investigation within the following conditions:

“The Bulgarian Government feels that border incidents which have actually occurred should be investigated on the very spot where they have taken place, i.e., on the border line itself, and not in the interior of Bulgarian territory, in Berkovitsa or elsewhere.

“The Bulgarian Government declares that the Greek refugees, who found asylum in Bulgaria in accordance with international law, are now engaged in work at the different farms and other enterprises where they earn their livelihood by their labor. In accordance with international law, these refugees are under the control and jurisdiction of the Bulgarian sovereign authority.

“The Bulgarian Government reminds the Subsidiary Group that in March when the Investigation Commission was engaged with its inquiry in Bulgaria it was invited and offered the opportunity of visiting Berkovitsa where the refugees were still in a common camp at that time, but the Commission did not find it necessary to do so. The Bulgarian Government does not find it justifiable for the Subsidiary Group to make a similar request at the present moment when the gathering of the harvest was at its height and in connection with which the Greek refugees of the said camp have been sent to work at various points of the countryside. Under these circumstances a visit to Berkovitsa would be quite useless. . . .”

The Bulgarian Representative indicated that he had 11 witnesses available to the Commission but was unwilling, subject to reexamination, to admit the four Greek witnesses into Bulgarian territory.

At a meeting of the Subsidiary Group on July 12, Mr. Andreychine was informed that under the proposed conditions the Subsidiary Group could not enter Bulgaria to complete its investigation of the alleged frontier incidents of Angistron Lipa and Kapnotopos. Mr. Andreychine promised to consult his Government in Sofia and to present a reply by July 17.

The Bulgarian Government did not reply to the Subsidiary Group’s telegram of July 12 until July 19, merely indicating that it was prepared to receive the Group at the Koula frontier post for an interrogation of witnesses and to permit the Group to visit “the places where alleged incidents of Angistron Lipa and Kapnotopos took place.” It saw no reason why the Group should “pursue an investigation in the interior of Bulgarian territory” and thought that the Greek witnesses should be interrogated on Greek territory. Interrogation of Greek witnesses on Bulgarian territory “would be incompatible with State sovereignty and might complicate relations with Greek authorities and even with the Subsidiary Group”, in the view of the Bulgarian Government. On July 27 the Subsidiary Group informed the Bulgarian

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Government that under the conditions set forth it could not enter Bulgaria. Other alleged incidents: the Bulgarian attitude. On August 18 the Subsidiary Group decided to investigate four related incidents brought to its attention by the Greek Government and alleged to have occurred in the same general area of the Greek-Bulgarian frontier, at Milia-Therapio, Metaxades, and Ormenion. The Bulgarian Government was asked to cooperate, both in the matter of presenting witnesses and in facilitating the field investigation of the Group. On August 27 the Bulgarian Government indicated that it might require about two months to prepare its documentation with respect to the Greek charges. In order that Bulgaria be treated "on an equal footing with Greece, Bulgarian documentation should be prepared before the Subsidiary Group's arrival on Bulgarian territory just as the Greek Government had two months in which to prepare charges. For these reasons the Bulgarian Government reserves the right to reply as soon as the documentation has been prepared." The Subsidiary Group acknowledged the Bulgarian reply on September 2, 1947, indicating that it was looking forward to the cooperation of the Bulgarian Government when it had prepared its documentation. Meanwhile the Subsidiary Group had decided to proceed to an on-the-spot investigation on the Greek side of the frontier "entirely without prejudice to subsequent investigation on Bulgarian territory", and, accordingly, was to arrive in Ormenion on September 2. Evidently, however, it did not take the Bulgarian Government so long as had been anticipated to prepare its "documentation", for on September 11 the Subsidiary Group was advised that the Bulgarian Government, having studied the documents submitted by the Greek Government with respect to the incidents of June and July along the Greek-Bulgarian frontier, had instructed the "competent Bulgarian authorities to carry out an investigation regarding them."

Having examined the report of these authorities, "and on the basis of the facts contained therein", the Bulgarian Government was "able to deny categorically the accusations brought against Bulgaria" by the Greek Government. Moreover, the Bulgarian Government concluded:

"In view of the above, the Bulgarian Government thinks it unnecessary to pay any attention to these Greek accusations regarding the four alleged incidents; especially as, even in the case of the genuine violations of the Bulgarian frontier committed by the Greek authorities, regarding which the Bulgarian Government, in order to put an end to these violations, has more than once approached the Security Council and the Hellenic Government through the Allied Control Commission in Bulgaria, no action has yet been taken. The Subsidiary Group at Salonika, in its turn, has shown no interest in this matter and has taken no action. In these circumstances the Bulgarian Government does not feel able to give any assistance to the Subsidiary Group at Salonika, since the latter's unilateral acts merely aid and encourage the Hellenic Government in its efforts to invent non-existent frontier incidents, in order to compromise Bulgaria before international public opinion and distract the whole world's attention from the real causes of the civil war in Greece."

The Incident of Greek Frontier Post No. 40 (Pentalofos), May 14, 1947

The Greek charge. The Greek Government charged that on May 14 at 6 a.m., when a company of the 551st Battalion was mopping up in the forest near the Bulgarian frontier at Pentalofos (frontier post no. 40), it was fired at with automatics and rifles by guerrillas holding positions in the forest about 10 meters from the Bulgarian frontier. The company pursued the guerrillas, who crossed into Bulgarian territory through the forest. Greek troops found the following items abandoned by the guerrillas: (1) a pair of army

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U.N. docs. S/554; S/AC.4/303; S/AC.4/SG/188.
binoculars; (2) three packs of guerrilla proclama-
tions; (3) 250 Bren gun rounds and 6 Bren gun
magazines; (4) one magazine of an automatic gun
of foreign make and 200 rounds; (5) 30 rounds
for a Manlicher rifle; (6) 10 tracer bullets of
British type; (7) two British blankets; (8) one
army ground sheet; (9) two British haversacks
and one ammunition sack, and various other odds
and ends including a Bulgarian cap such as those
worn by Bulgarian villagers.\footnote{Georgios
Kharissoudhis and Dimitrios Yiorgakoudhis, however,
took as guides by the guerrillas, and both testi-
ified that they drove the carts to the area of the
Greek-Bulgarian border. When they arrived
about 300 meters from no. 41 Greek frontier post,
the bandits themselves drove the carts toward the
frontier line. About half an hour later the five
carts were given back, and the two men were free
to return to their village. They estimated the
band to be composed of about 100 to 150 men. The
other villagers confirmed this testimony.}

Depositions of witnesses. Five witnesses made
depositions concerning this incident.\footnote{George
Kharissoudhis and Dimitrios Yiorgakoudhis, however,
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ified that they drove the carts to the area of the
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carts were given back, and the two men were free
to return to their village. They estimated the
band to be composed of about 100 to 150 men. The
other villagers confirmed this testimony.}

The Incident of Therapio, May 17–18, 1947

The Greek charge. The Greek Government
charged that on the night of May 17–18, between
8 and 9 o'clock, a band of 100 coming from Bul-
garian territory attacked the village of Therapio
(Orestias). After pillaging and seizing clothing
and victuals from various houses, the band loaded
5 oxen-driven carts and transported their plunder
about midnight up to the frontier line, very near
Greek frontier post no. 41. From that point the
plunder was carried on their shoulders into Bul-
garian territory.\footnote{Depositions of witnesses.
Eight depositions support the Greek charge, although none of the
witnesses actually saw the guerrillas in this in-
stance cross the frontier.}

Depositions of witnesses. Eight depositions
support the Greek charge, although none of the

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into Bulgarian territory about 2 a.m. on June 22. Troops searching the area found clear traces of the bandits and followed them to within about 1,000 meters of the frontier post.\textsuperscript{26}

**Depositions of witnesses.** Five depositions supported the Greek charges.\textsuperscript{27} Lt. Rigas Kimin testified that his platoon followed the tracks of the bandite, indicating that they saw clearly the footprints leading to the village of Milia while others led from Bulgarian territory to the village of Therapio. The other witnesses testified as to similar details.

**The Metaxades Incident, June 23, 1947**

**The Greek charge.** The Greek Government charged that about 40 guerrillas crossed Akalaniotiko Rema Revina, west of Alepokhori, and entered Greece at 10:50 p.m., on June 23, 1947, and that these guerrillas were repulsed by the Greek Army and then reentered Bulgaria. In addition, it was charged that about 250 guerrillas crossed into Greece near Greek frontier post no. 53 on June 24 and, in conjunction with a second group of 250 guerrillas already in Greece, attacked the Greek garrison at Metaxades. Upon being repulsed, elements of the guerrillas reentered Bulgaria.\textsuperscript{28}

**Depositions of witnesses.**\textsuperscript{29} Eleven Greek soldiers submitted depositions with respect to the Metaxades incident before the Subsidiary Group was able to make an investigation of the incident. Capt. George Levounis testified concerning the attack, indicating his conviction that the guerrillas had come from Bulgaria and had retreated into that country. W. O. Konstantinos Michalakis also declared that the guerrillas had come from Bulgaria and stated that he “saw men’s footsteps and animal tracks running across the Akalaniotiko Rema in the direction of both Bulgarian and Greek territory.” Sgt. Stefanos Moutaftisides stated: “That they have crossed into Bulgaria towards Greek territory a thousand times, I have seen myself in daytime from the mule tracks and from footsteps I discerned when we went together with our platoon to look at the villagers of Alepokhori reap their fields.” That guerrillas had crossed into Bulgaria was confirmed by two other soldiers. Sgt. Tordanis Theofanides, who pursued the bandits, said that “we saw a few of them on Bulgarian territory with our own eyes and felt very disappointed at not being able to attack them.” Lt. Kharalambos Kharalambopoulos estimated that about 100 guerrillas crossed into Bulgaria. Sgt. Argyrios Zaravakis also said that he had seen with his own eyes guerrillas cross into Bulgaria. Another soldier, Pvt. Konstantinos Trapalis, who had been taken prisoner by the guerrillas, said that he had been taken into Bulgaria, where he was held for about two days. In addition, Zissis Baralis, a guerrilla who had been impressed into a band some two weeks before, stated that his band had been led into Bulgaria and that he had taken part in the attack. He said: “The relations between the bandits and the Bulgars are very friendly. A Bulgar civilian led us into Bulgarian territory. It is obvious that the Bulgarian authorities support the bandits and give them ammunition and other supplies. They also give shelter on their territory. They often talk to us to fanaticize us against the Army and the State.”

**The Ormenion Incident, June 28, 1947**

**The Greek charge.** The Greek Government charged that on June 28, at about 11 p.m., a band of about 30 men coming from Bulgaria raided Ormenion, near the Greek-Bulgarian frontier. The band remained in the village about an hour, during which time it burned the house of the rural guard, Khristos Manavis, and plundered the village shops. During their entry from Bulgarian territory as well as on their return, the bandits used the public road from Ormenion to Bulgaria, which had been constructed by the Bulgarians during their occupation of Western Thrace. This road crosses the Svilengrad railway.

**Depositions of witnesses.** Four depositions supported the Greek charges.\textsuperscript{30} They all testified that the bandits came from and returned to Bulgaria via the public road. Georgios Theo-

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\textsuperscript{26}U.N. doc. S/AC.4/SG/164.
\textsuperscript{27}U.N. docs. S/AC.4/SG/164; B/19/E.
\textsuperscript{28}U.N. doc. S/AC.4/SG/143.
\textsuperscript{30}U.N. docs. S/AC.4/SG/104; B/17/E.
\textsuperscript{31}See testimony of Dimitrios Dellyanidis (S/AC.4/SG/PV/111, pp. 3-11), Georgios Theokaridis (ibid., pp. 12-15), and Stergios Arbatzis (ibid., pp. 15-24).
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Kharihids said that he had seen the bandits following the road. Khristos Manavis said that after the plundering of the village, he could "see them as far as the railway line following the road leading from Ormenion to Bulgaria." So also did Arbatzis Stergios, who "saw them at a point 300 meters on this side of the frontier line moving towards Bulgaria and following the public road which leads from Ormenion to Bulgaria."

The Ormenion Incident, July 4, 1947

The Greek charge. In the Ormenion incident of July 4, 1947, it was charged that a large band of guerrillas had crossed the Greek-Bulgarian frontier and attacked Ormenion, loaded 23 commandeered oxen carts with loot, and conscripted five young men for service in the guerrilla bands, after which the band crossed into Bulgaria between Greek frontier posts nos. 30 and 31. The loot was said to have been transferred to cars on the Bulgarian side of the frontier for transportation in the direction of Svilengrad. Bulgarian guards were alleged to have cooperated with the guerrillas crossing the frontier, and the bands were said to make their headquarters on Bulgarian territory at Bora Giala and near Greek frontier post no. 31. Finally, it was stated that the guerrillas received arms, ammunition, and information on Greek Army movements from Bulgarian authorities.

Depositions of witnesses. Six Greek peasants of the Ormenion region all testified as to the raid on Ormenion and the looting of the village.

One of them, Konstantinos Khristidis, said that the carts were abandoned on July 5 at Ambelia on the Bulgarian frontier. He drew the conclusion "that the plunder looted from the village was transported to the frontiers with our carts. Then from the frontier the plunder was loaded onto Bulgarian means of transportation and concentrated on Bulgarian territory."

Bulgarian Charges Against Greece

The Bulgarian Government, true to the pattern which it had already so well established, not only refused to cooperate with the Subsidiary Group but also made charges against the Greek Government, although it did not refer these charges to the Subsidiary Group.

On June 19, the Bulgarian Government charged that 70 Bulgarian families who were Greek subjects, in the Thracian village of Yuruche, had received an order of expatriation to Bulgaria within three days. The Security Council was asked to make the necessary representations to the Greek Government to prevent this expulsion, "which constitutes a violation of international law and of the United Nations Charter." This
The charge was promptly denied by the Greek Government on June 28, 1947. On July 22 the Bulgarian Government charged that on July 13 a Greek company of 200 men had penetrated Bulgarian territory to the east of a frontier post four kilometers southeast of Svilengrad. It was also alleged that a second group of 60 Greek soldiers took positions on the frontier line opposite the frontier post, while a third group of 30 Greek soldiers advanced against the Bulgarian post. The first group, it was stated, penetrated about 1,500 meters into Bulgarian territory and captured three Bulgarian civilians, two of whom managed to escape. The Greek Government, it was stated, refused to make an on-the-spot investigation, despite a Bulgarian request, and the Bulgarian Government informed the Allied Control Commission of the incident, as well as the Soviet Legation and the Political Representatives of Great Britain and the United States in Sofia.

It was also charged that, on August 20, Greek soldiers had brought three tanks and seven cannon to the Dimka railway station, on the Greek-Bulgarian frontier, while four tanks took positions on the hill above Tchermen, and approximately 120 soldiers dug trenches on the hilltop. Two days later, it was charged, some 100 civilians and soldiers opened fire from across the border on two Bulgarian frontier guards. It was also charged that Greek soldiers on August 22 fired with machine guns from the Tchermen school on a Bulgarian airplane flying over Bulgarian territory.

"Numerous similar cases", it was asserted, had been referred to the Security Council by Nissim Mevorah, the Bulgarian Representative, "but for some reasons the Council never discussed them."

The Bulgarian Government hoped that the United Nations would "use its prestige and power with the Greek Government in order to put an end to the systematic border provocations."

Charge of bias against the Subsidiary Group. Despite the serious nature of these charges, the problem was not referred in any way to the Subsidiary Group. On September 14, 1947, the Acting Premier of Bulgaria, Traiche Kostov, repeated the charge that the Bulgarian border had been "violated nine times by Greece" during the past four months, indicating that all the incidents had been brought to the attention of the Allied Control Commission in Bulgaria. He declared that the Subsidiary Group had not fully considered Bulgaria's accusations concerning the incidents, although, as he knew, not one of them had been referred to that body. Nevertheless, the Acting Premier used his allegations as an excuse for failure to cooperate, remarking:

"The Bulgarian Government does not consider it possible, under prevailing circumstances, to render assistance to the subcommission in Salonika, which acts exclusively and one-sidedly in favor of the Greek Government and against the interests and sovereignty of Bulgaria."

INCIDENTS ON THE GREEK-YUGOSLAV FRONTIER

The Kouka-Palaion-Triethnes Incident, March 31—April 1, 1947

Procedure. On June 13, 1947, the Subsidiary Group decided to investigate the incidents of March 31, April 1, and April 21, in the Kouka-Beles area of the Greek-Yugoslav frontier, and a telegram to this effect was sent to the Yugoslav Minister of Foreign Affairs following the meeting. Additional telegrams were sent on June 16,
On June 23 the Yugoslav Government finally acknowledged receipt of the Group’s message and promised a reply by June 28, but the Subsidiary Group, meanwhile, had had to postpone its projected investigation from June 25 to June 30, and in communicating the decision to the Yugoslav Government it specified the Doiran frontier post as the point of arrival. On June 28, the Yugoslav Government replied that it could not accept the proposal for an investigation on Yugoslav soil, since an investigation carried out by the Yugoslav Government itself had revealed that no incidents had occurred “in the Yugoslav frontier area”, and accordingly the Yugoslav Government considered that there was “no reason” for any investigation by the subcommission on Yugoslav territory on the basis of “unfounded allegations”. This telegram was sent despite the communication of the Yugoslav Government to the Secretary-General of the United Nations on June 6, indicating that it would cooperate with the Subsidiary Group. The Yugoslav refusal to permit an investigation of these alleged incidents was referred to the Balkan Commission in New York, which on July 3 decided to transmit this information to the Security Council.

Description of incident. In his letter to the Subsidiary Group on May 14, the Greek Liaison Representative also called attention to violations of the Greek-Yugoslav frontier and to assistance to the Greek guerrillas by Yugoslav authorities on March 31, April 1, and April 21, 1947, in the Kouka-Beles region. In a note of June 8, the Greek Representative indicated that the object of the field investigation was to demonstrate the following facts:

(1) The acceptance by Yugoslavia of armed bands coming from Greece as a consequence of military “mopping-up” operations; (2) the reception and hospitalization of wounded bandits; (3) the protection and covering of bandits by rifle fire from Yugoslav frontier posts; (4) the utilization by bandits of Yugoslav territory for turning the flank of Greek troops operating in this region and to attack them from the rear; (5) the supply and arming in Yugoslavia of the bands in question; and (6) the organization in Yugoslavia and the return to Greece of these same bands.

According to the Greek account of these incidents, on March 31, 1947, while the 37th Greek Brigade was carrying out “mopping-up operations” against the guerrillas in the Kouka-Palaion-Triethnes region on the Greek-Yugoslav frontier, a group of 6 to 7 guerrillas fled into Yugoslav territory, and later, between Ank Kouka and Prokhoma, 30 bandits fled across the frontier. Greek troops were fired upon from the direction of the Yugoslav frontier post from Mt. Beles, about 600 to 700 meters distant. On April 1 the Greek troops moved in the direction of Palaion-Triethnes via height 1396 towards height 1695, but between heights 1396 and 1628 they came across a hastily abandoned guerrilla camp.

Testimony and depositions. On the proposal of the Greek Liaison Representative, the Subsidiary Group heard two deserters from the Yugoslav Army on May 31 with respect to the incidents of March 31–April 1, 1947. The first of these witnesses, Alberto Loukitis, testified that he had surrendered to the Greek Army on May 10, 1947, after crossing into Greek territory. He had been stationed at Belisitsa, on the Greek-Yugoslav frontier, on March 29, with 19 officers and men. This group was assigned to guard some 500 Greek guerrillas who had come over from Greece and he personally guarded their arms. There were about 50 women in the group. The arms consisted of German mausers, Italian and English guns, and ammunition. There were about 30 wounded, who were treated by a Yugoslav military doctor. The band, which remained from four to five days, was fed and housed by the Yugoslavs—“a man would bring them salted pork, marmalade, and bread”. While in Doiran, Loukitis testified that he saw 11 Greek partisans. The camp of the partisans was about three or four kilometers from the frontier “in a ravine”. The witness, who was a member of the Sixth Brigade, Fifth Frontier Battalion, said that he saw doctors putting some bandages on the

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wounded partisans. At Doirani he was a guard at the infirmary and not only saw partisans being treated but used to take their temperatures.

A second witness, a friend of Loukits, Franio Matasits, was a member of the same unit and had surrendered at the same time. He too was at Belisitsa on March 28 and 29 and saw the Greek partisans, about 30 of whom were wounded and were treated by a military doctor. He also confirmed that the arms of the partisans were guarded by Yugoslav soldiers and hidden, although he could give no reason for the hiding of the arms. He was told that the partisans had come from Greece and thought they certainly went back into Greek territory. He learned on arrival in Doirani that there were 11 Greek partisans there, and he saw them personally. Matasits crossed the frontier into Greece at a place called Oldoran, in order to surrender to the Greek authorities, because he could not “live under the partisans’ regime” in Yugoslavia. On further questioning he said that some of the rifles of the Greek partisans were “Yugoslav rifles”.

In addition to the above testimony, the Greek Liaison Representative submitted depositions from 7 Greek soldiers who had taken part in the operations of March 31–April 1, 1947, all of whom declared that the guerrillas had been pursued to the frontier area, that they had seen about 30 enter Yugoslav territory, and that firing came from the direction of the Yugoslav frontier post in the area.

Three depositions of former guerrillas were also submitted to the Subsidiary Group. These guerrillas all substantially confirmed the testimony of the Yugoslav soldiers and of the Greek soldiers as to the incidents of March 31–April 1, 1947, indicating that they had fled across the frontier into Yugoslavia, that they had been escorted by Yugoslav soldiers about four to five kilometers into Yugoslav territory, where they stopped at a temporary camp in a wooded area for about four days, that some 20 Yugoslav soldiers had guarded the camp, that they were fed and housed, and that their wounded were cared for by a Yugoslav military doctor. Some guerrillas, they said, were sent to Bulkes “for rest”.

Two of the guerrillas were of special interest and were examined by the Subsidiary Group on July 4 and 5. One of these, Neoklis Michalidis, who testified as to the events of March 31–April 1, said that his group came from Loulakaki and stopped at the frontier. Among other things he said:

“There was a Yugoslav sentinel in a small hut in front of us. . . . It was quite obvious that they knew who we were and that they expected us to be there. . . . They immediately led us into Yugoslav territory to a depth of 100 meters, where we deposited our weapons. We waited for about a quarter of an hour or 20 minutes, and then the main batch of the Andartes came. I think we were about 400 to 450 altogether. We then went to H.Q. We were led by an officer and Yugoslav soldiers. They led us into Yugoslav territory and left us after four or five kilometers. . . . They told us to rest the sick there, and they made a garrison of 20 Yugoslav soldiers who were there in order to guard us. . . . I forgot to tell you that we had 180 wounded, 20 of them seriously, because of artillery fire. Before dawn about six or seven officers and some doctors in civilian clothes came and visited the wounded and changed their bandages.”

According to Michalidis about 120 guerrillas were sent to Bulkes, while others left “for our hiding place”. Michalidis also stated that he recognized “a Yugoslav deserter, who during the period of our encampment on Yugoslav territory used to bring us loaves of bread from the Yugoslav post”.

Spyros Vatsos, who also testified on July 5, stated that he took part in the Beles incident, Palaion-Triethnes, arriving on March 26, when the Greek Army began its movements, and that his group entered five kilometers inside Yugoslavia. There was a “ravine and the Yugoslav soldiers and officers took our weapons and camouflaged them under branches”. He declared: “It was not only my band which crossed the frontier but the whole group of the Andartes. The Greek Army had encircled the Andartes and we would have been taken prisoner if we had not crossed into Yugoslavia.” There were about 450 according to his information. The guerrillas remained about

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four days in Yugoslav territory and were guarded by 20 soldiers. "Six officers came as well and they talked with the Andartes who knew Yugoslav. A doctor also visited us and the wounded people—about 18–20 were transported inside Yugoslav territory." Vatsos saw a medical officer who visited the wounded and nursed them. "The wounded and 40 others were chosen amongst us and were sent inside Yugoslav territory." Their weapons, which were new, he said, came from Yugoslavia. Vatsos stayed in Beles until May 20, and he surrendered on May 29. He said that he saw "with my own eyes" people crossing the frontier from Yugoslavia into Greece on April 5. According to Vatsos there was a liaison agent between Bulkes and the headquarters in Beles, whose nickname was "Lakis".

Capt. Gheorgios Nikitas, who testified before the Subsidiary Group on June 20, declared that the guerrillas had been driven out of Kouka on March 31. A group of them entered Yugoslav trenches for about 500 or 600 meters. Later he saw another group of about 30 enter Yugoslavia. When his company reached a height near Palaion-Triethnes, he could see a trench post about 600 or 700 meters away, which began firing in their direction with machine guns. He said that he could see that the gun was in a trench post on which the Yugoslav flag was raised after the firing began. On April 1 his company took up a defensive post on height 1698, where they found a large guerrilla camp which had been hastily abandoned. There was evidence that many people had passed between the camp and the Yugoslav frontier. When questioned Captain Nikitas stated that the machine gun was in a trench about 10 meters from the actual frontier post.

**The Beles Incident, April 21, 1947**

*Description of incident.* On April 21, 1947, 

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Subsidiary Group Summary of the Kouka-Beles Incidents

The report of the Subsidiary Group, dated August 22, 1947, summarized the facts as follows: 

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Crossing of the frontier:
(a) During the mopping-up operations of the Greek army on Mount Beles on 31 March, at least two small groups of armed guerrillas crossed into Yugoslavia;
(b) During the night from 31 March to 1 April, from 00 to 500 guerrillas passed from Greece into Yugoslav territory with their wounded, their arms, their equipment and their supplies. After crossing the frontier, they were led by Yugoslav guides to a temporary camp situated about five kilometers within the Yugoslav frontier. In this camp they were guarded by Yugoslav soldiers; their arms were then collected, heaped in a corner of the camp, and guarded;
(c) During the operations of the Greek Army on Mount Beles, on 21 April, some guerrillas fled into Yugoslav territory; this was done at a distance of about 100 meters from a functioning Yugoslav frontier post.

2. Hospitalization and medical treatment:
(d) About 20 wounded guerrillas, after receiving medical attention at the temporary camp situated about five kilometers within the Yugoslav frontier, were subsequently evacuated to the interior of Yugoslavia. A greater number of wounded and sick guerrillas also received medical attention at this camp.

3. Fire from the immediate vicinity of a Yugoslav frontier post:
(e) During the afternoon of 31 March 1947, Greek troops were fired upon by a machine gun situated in the immediate vicinity of a functioning Yugoslav frontier post in which a group of Greek guerrillas had just taken refuge.

4. Tactical utilization of Yugoslav territory by guerrillas:
(f) During the operations of 21 April on Mount Beles, the guerrillas made use of Yugoslav territory in order to surprise Greek troops operating in this region, and to attack them from the rear.

(g) During the operations on Mount Beles on 21 April, the guerrillas made use of trenches situated along the frontline and extending from Greek into Yugoslav territory.

5. Supply and equipment of guerrilla bands "in" and "from" Yugoslavia:
(h) At their headquarters situated in Greek territory close to the frontier, the guerrillas received provisions and arms from Yugoslavia.
(i) During their short stay at the temporary camp in Yugoslavia they were fed by means of provisions delivered by Yugoslav soldiers.

6. Return of armed bands from Yugoslavia into Greece:
(j) With the exception of the wounded and about one hundred other guerrillas who left for the interior of Yugoslavia, the majority of the members of the guerrilla band who had taken refuge for four or five days in Yugoslavia returned to Greece after resuming their arms in the presence of Yugoslav officers and soldiers.

The Skra Incident, April 3–8, 1947
On August 20 the Subsidiary Group decided to investigate the Skra incidents of April 3–8, 1947, and of May 24, 1947. The Yugoslav Government was informed by telegram and its cooperation was requested.

Description of incident. The Greek Government charged that Greek guerrillas, under pressure from the Greek Army, crossed into Yugoslavia near height 1034, as well as through a point lying between heights 960 and 1510, and that they had entered Yugoslavia unhindered, although they were seen by Yugoslav frontier guards. It was also charged that the guerrillas remained in Yugoslavia for four days, during which time they were supplied by Yugoslav frontier guards. These guerrillas were then said to have reentered Greece with the knowledge of the Yugoslav frontier guards.

Depositions of witnesses. Before it had had an opportunity to make an on-the-spot investigation of this incident, the Subsidiary Group was already in possession of some four depositions concerning the problem. Koannis Vlachos, an officer in the Greek Army, testified that he was certain that the bandits from Skra height had passed into Yugoslav territory and abandoned their arms and supplies. Later, on April 10, at Skra, he saw bandits walking with Yugoslav soldiers on Yugoslav territory near the frontier. Another officer, Georgios Yalourakis, gave similar testimony. Stavros Payas, who belonged to a group of guerrillas under Vassilios Saltapidas, testified as to the attack on April 5 and remarked, “When we crossed the frontier, not only were we seen by Yugoslav functionaries, but moreover, several of them gave us bread.” The guerrilla, Avraam Dimitriou, testified as to the repulse on April 3, indicated that they were in danger of being killed or taken prisoner, and said, “our chiefs ordered us to penetrate Serb territory and to have only a rear guard on Greek soil”. The rest entered Yugoslavia in the afternoon of April 4, going toward Chuma.

The Skra Incident, May 24, 1947
Description of incident. The Greek Govern-
ment charged that during mopping-up operations by the Greek Army against the guerrillas on Skra height 1097 on May 24 the guerrillas were supported by machine-gun and mortar fire from Yugoslav territory. The guerrillas withdrew into Yugoslavia under the pressure of the Greek Army. Yugoslav frontier guards occupied the frontier posts and observed the entry of the guerrillas. It was also stated that Greek troops were again fired at from positions within Yugoslav territory near the frontier guards and that guerrillas were seen moving about freely in Yugoslav territory in the company of Yugoslav soldiers.

Depositions of witnesses. A number of depositions supported the Greek thesis concerning the incident. Lt. Konstantinos Angelopoulos, of the 35th Company, for example, testified concerning machine-gun, bazooka, and mortar fire by Yugoslavs from Yugoslav territory. He also said that he saw guerrillas enter Yugoslav territory, in groups of two to three men. Later he saw "bandits moving about in company with Yugoslav soldiers inside Yugoslav territory". He thought the escape of the bandits would have been impossible "had the Yugoslavs not fired at us from the rear. The fire of the Yugoslavs prevented us from moving and thus the bandits found time to escape into Yugoslavia." Lt. Nikolaos Mamelakis gave similar testimony. Another officer, Lt. Dimitrios Kohousoutoglou, declared that "following the movement of the other units . . . I described, the bandits withdraw, and, split up into groups of two to three each, enter Yugoslav territory. I later clearly observed some bandits going about inside Yugoslav territory in company with Yugoslav soldiers and other bandits moving from the Yugoslav post in the direction of the village Khouma. I also observed that the Yugoslav soldiers had taken up battle positions." Corp. Konstantinos Koulis verified this testimony, indicating that groups of two to five guerrillas took refuge in Yugoslavia territory and the village of Khouma. "With my own eyes," he said, "I saw bandits moving about inside Yugoslav territory in company with Yugoslav soldiers." Corp. Triantafilos Khaleplis also saw guerrillas going to the Yugoslav village of Khouma and saw them in the company of Yugoslav soldiers.71

The Beles-Prokhoma Incident, July 5–6, 1947

Refusal of Yugoslavia to cooperate. Since the Subsidiary Group was in the area on July 7, it decided to make an investigation of the Beles-Prokhoma incidents of July 5–6, 1947, following the demonstration of Brig. Evthymios Vasilas. The Polish Representative, Colonel Bron, was ill, and Mr. Kasparov, the Soviet Representative, refused to attend the meeting or to take part in the investigation.72 On July 16 the Subsidiary Group telegraphed the Yugoslav Minister of Foreign Affairs, outlining the Greek allegations concerning the incidents of July 5–6.73 It was stated that it was necessary to examine the problem on both sides of the frontier in order to make a complete investigation, and the full cooperation of the Yugoslav Government, including the sending of a qualified Yugoslav representative to Salonika, was requested.

The Yugoslav Government replied to the telegram of the Subsidiary Group of July 27 with a categorical rejection of cooperation with the Subsidiary Group.74 It declared that it had carefully investigated the matter and had "established" that the Greek charges were "all devoid of foundation and in reality nothing but a repetition of previous slanderous charges brought against the F.P.R.Y." Referring to charges which the Yugoslav Government had made of an alleged Greek provocation in the Beles area on June 13, which had been "ignored", the Yugoslav note declared:

". . . The F.P.R.Y. Government considers that the Greek Government systematically spreads crossed between 9 and 10 o'clock in the evening. That took place between the 20th and 30th of May. Two hours after they entered into Yugoslavia they used to return carrying away with them arms, clothing, and bread. I was standing 10 meters from the place where they used to cross the frontier." See U.N. doc. S/AC.4/SG/PV/98, pp. 1–3, 3–59.

false accusations against its neighbours by imputing to them actions of which it is itself the author. Moreover, the Greek Government, by such accusations, wishes to conceal its responsibility for the present situation in Greece as well as the responsibility of foreign Powers which support this Government by military intervention and political and economic means, and to justify before world public opinion the oppressive measures it employs against the Greek people.”

Yugoslavia regretted that the Greek Government and the foreign powers supporting it were trying “to exploit a United Nations body as an arm of their own policy.”

“Consequently, the Greek Government’s manoeuvres, into which it is drawing the Subsidiary Group of the Commission of Investigation, is prejudicial to the authority of the United Nations. The F.P.R.Y. Government refuses to give support to such manoeuvres and considers that any inquiry on the basis of the gratuitous Greek Government accusations contained in the telegram is not only purposeless, for the reason that it can have no practical results, but is also prejudicial to the authority of the United Nations.”

Therefore, the Yugoslav Government was obliged to refuse the proposal of the Subsidiary Group for an investigation within Yugoslav territory.

**Description of incident.** Brigadier Vasilas stated that his brigade was engaged in mopping-up exercises but that the Andartes had been warned and were not taken by surprise, and his troops were too near the frontier of Yugoslavia to use artillery. Yugoslav territory, he charged, was being used by the Andartes “in order either to shoot and attack Greek troops, or to transport troops and ammunition from one point to another with the knowledge of the Yugoslavs. We also saw that Yugoslav covering troops took an active part in this operation, both by firing and aligning themselves in front of the Greek troops.” Brigadier Vasilas charged a number of violations to the Yugoslavs: (1) on the morning of July 5, Greek troops near height 1849 were fired on by automatic machine guns and mortars from 200 meters inside the frontier; (2) at 10 a.m. near height 1874 bandits crossed into Yugoslav territory, transporting wounded; (3) at 6 p.m. troops on height 1219, as well as artillery observers in Mikrovryssi, noticed a column of 60 Andartes with mules coming into Greek territory at a point 500 meters east of height 1644, where there was a Yugoslav post; (4) troops were seen south of Proshoma, which was later seized, and the Andartes entered Yugoslav territory; (5) a captured message revealed that Homiros, the Andarte leader, had been using Yugoslav territory as a base of operations.

**Testimony of witnesses.** While the Subsidiary Group was in the frontier area on July 6–8, it heard a number of witnesses, although it was not able to make an on-the-spot investigation of the earlier incidents in the Kouka-Beles area (March 31–April 1 and April 21, 1947), because of military operations. Nevertheless, it examined in all some 30 witnesses, including 14 soldiers and civilians, during its visit to the area. Among these, Pvt. Efthymios Stratakis testified that on July 5 his unit was fired on from Yugoslav territory for 12 hours. He said that he had actually seen Yugoslavs carrying mortar shells to guerrilla posts inside Yugoslavia and had also seen guerrillas passing information to Yugoslav soldiers. Later on, his unit was fired on by a Yugoslav frontier post, and one of his companions was killed and four were wounded by fire from this mortar. The witness also said he had seen guerrillas cross into Yugoslav territory. Lt. Athanasios Vavouliotis to have machine-gunned frontier post no. 130, killing one soldier and wounding two others. It was charged that this action represented “a new flagrant violation of the integrity of the Yugoslav territory by the Greek military authorities”. The Yugoslav Representative requested that the Security Council be informed immediately of this event, and also of “the request of the Yugoslav Government for an immediate investigation on the spot”. The Subsidiary Group, of course, was ignored. (U.N. doc. S/377.)

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said that he had seen a guerrilla liaison agent cross from Yugoslavia into Greece, as well as 20 men cross into Greece and enter trenches, and declared that a mortar fired on Greek troops from Yugoslav territory to the left of a Yugoslav frontier post. He had seen wounded evacuated into Yugoslavia. Lt. Emmanuel Batakis said that guerrillas, pursued by his platoon, fled into Yugoslavia and that at one place he had seen a large number of guerrillas moving freely on both sides of the frontier. At another point he observed guerrillas carrying their wounded into Yugoslavia. Similar testimony was offered by eight other Greek soldiers. In addition, Privates Dalianis, Bazos, and Giovannis testified concerning a captured guerrilla chief-tain in Greece.

Additional testimony was heard following the return of the Subsidiary Group to Salonika. Lt. Nicholas Zakardi testified on August 1 that his platoon was fired at from three permanent machine-gun posts which were just below Ano Kouka. He observed a car below the Yugoslav frontier post, which unloaded some cases, perhaps containing ammunition. Three quarters of an hour later he saw about 15 Andartes followed by mules leave their position on Greek territory and go into Yugoslav territory. Assisted by two machine-gun posts, he succeeded in dislodging the Andartes, who then withdrew into Yugoslav territory in the direction of the frontier post. He remarked: "The Serbian frontier post fired continuously with automatic weapons towards our direction; they fired at our positions and at another section that I had to the left of my company as a flank protection." The Andartes moved continuously toward and from the Yugoslav border, in groups of two to five people. Two other soldiers gave similar testimony. One of these, Corp. Panayotis Kayetzis, said that he saw the Andartes crossing from Yugoslavia: "I saw them coming and going with mules to the Yugoslav frontier post. . . . I saw them and I saw them very well because I was in the first platoon and it was the one to be fired at by them. I saw the Andartes who were going to the frontier post and coming back from the frontier post, and I simply saw mules going from the frontier post to the position of the Andartes." Another soldier, Pvt. Paraskevas Paraskevopoulos, saw 30 to 40 Andartes concentrated on Yugoslav territory and saw them cross into Greece. Other witnesses testified similarly.

INCIDENTS ON THE GREEK-ALBANIAN FRONTIER

The Sarantopoulos Bania Incident, May 19–20, 1947

Albanian refusal to cooperate. The Greek Government charged that on May 19–20 about 86 Greek guerrillas took refuge in Albania, were given food, arms, and shelter, and then were re-directed to the Greek frontier, which they recrossed on May 21–22, 1947.

The Subsidiary Group decided on July 2 to investigate the Sarantopoulos incident, although the Soviet Representative refused to take part in this investigation. On July 5, 1947, the Subsidiary Group asked the Albanian Government to cooperate in the investigation of the incident. However, Albanian authorities refused to receive the necessary documentation concerning the matter, and on July 23 the Subsidiary Group was informed that an official investigation by the Albanian Government had shown that no incidents had taken place on the date alleged by the Greek Government. There was, therefore, "no reason for the Subsidiary Group to conduct an investigation on Albanian territory with regard to a non-existent incident entirely fabricated by the Greek Government, which thus wishes to conceal the aggressive provocations which it commits daily against the Albanian People's Republic. . . ."

Testimony of witnesses. Three former guerrillas testified concerning the Sarantopoulos Bania incident. Ilias Minas testified on July 4, 1947, that he had been inducted into the Zdravos band on May 15, that he had crossed the Albanian frontier on the night of May 19–20, together with some 35 armed guerrillas, and had been met by Albanian soldiers, who supplied them with cigarettes and
THE PROBLEM OF GREECE

food. They were taken to Koukes, while Finoglou and Zdravos, their leaders, went with an Albanian soldier to Loutra. Ultimately the group was taken to Radat and was given bread, cheese, and cigarettes. On May 21 they were in front of Maria hill and then went to Mt. Kaminikou and thence to Vourbiani and Pyrsoyanni on May 21-22. Minas escaped on May 22. He testified that his band had crossed into Albania because it had been encircled by Greek forces. The group received no arms in Albania because the men were armed when they crossed the frontier.58 Minas testified again on August 14, indicating that he had crossed into Albania on May 19, carrying arms.59 In his written deposition, Minas indicated that the leaders of his band were also supplied with Albanian uniforms and said that he had “no doubt of the assistance and reinforcement granted to the bandits by the Albanians. . . . From the way our band was received, our food supplied by the Albanian frontier posts as well as from the visit of Zdravos and of the others to Mertzani higher authorities, I have no doubt of the cooperation of the Albanians and the bandits.”

Another witness, Kiriakos Nitsotolis, a member of the same band as Minas, declared that he had been conscripted on March 1 and stated that on May 19, on being pursued by Greek troops, the band entered Albanian territory across the Sarantoporos River and advanced about 600 to 700 meters, where they were met by an Albanian patrol. The band, after informing the patrol that they were “Greek partisans”, was welcomed and led toward Koukes, where they arrived about 4 a.m. on May 20. Thence the group went to Bania and ultimately arrived near Radat. On May 22 the group reentered Greek territory. Nitsotolis declared: “From the band’s stay in Albanian territory, I noticed that the Albanians showed a great willingness to help us. Those who spoke Albanian held hearty conversations with the Albanians.” Zdravos told him that “he had followed the route through which we entered many times in the past” and had crossed the frontier many times.91 On August 9, 1947, Nitsotolis testified before the Subsidiary Group that his group had weapons when it went into Albania, although he had none because he was a machine-gun-ammunition man. The reason for going into Albania was that otherwise the members of the band would have been captured or killed.92

A third witness who bore testimony as to the Sarantoporos incident was Ioannis Yotopoulos (Kapetan Poutetsis), who testified on August 9. He declared that the group had been armed in Albania, receiving 35 Bren guns, 60 individual rifles, and 3 heavy machine guns of Italian origin, together with sufficient cartridges.59 Yotopoulos testified again on August 13, 1947, declaring that he had crossed from Albania into Greece when coming from Bulkes in September 1946, but his troops had crossed from Greece into Albania after an attack on Vourbiani on May 20–21, 1947. One half of his troops remained in Greece. Yotopoulos stated that the Andartes formed part of the Communist Party and took orders from the Party. He indicated that he had crossed into Albania after the Varkiza agreement of February 1945, having received orders from the Party to leave. He went through Argyrocastron, Berat, Tirana, and Episkopi and arrived at Rubig. He declared that Zdravos and Evangelou, guerrilla leaders, had crossed the Albanian frontier many times, and Kikitsas used to go into Albania frequently for supplies. He continued:

“All these weapons are of Italian origin, and they are stored in Albanian Government stores, and without the consent of the Albanian Government these weapons and arms could not come out of the stores. They could not have been stolen, because you can steal from a Government store a certain number of weapons, but this is not some ammunition and some weapons, it is a whole store. I am quite sure it is impossible for this to be done without the knowledge and consent of the Albanian authorities. . . . We were trying to camouflage the attitude of the Albanians as much as possible. However, we could not lose a whole battalion, a whole unit, just for the sake of secrecy. Of course, this would expose Albania to the outside world, but the Albanians knew very well that we were fighting for them, and if we were the .

* U.N. doc. S/AC.4/SG/46; A/2/E.
* Ibid.
advanced posts of Albania, Yugoslavia, and Bulgaria I do not see why at a very bad moment we could not pass into Albania, even if it exposed them." 94

The Konitsa Incident, July 9–13, 1947

The Greek charges. On July 13, however, the Greek Government charged Albania with a grave incident in the Konitsa region. The Greek Government immediately asked an investigation by the Subsidiary Group and offered to supply it with planes. In a letter to the Subsidiary Group, dated July 13,95 the Greek Liaison Representative alleged that detachments of an “international brigade” had invaded Albania on July 13, had blown up the bridge of Bourzani in the region, and had come into contact with the Greek defense forces. The Greek Liaison Representative charged that this action constituted a “flagrant violation on the part of Albania”. The Subsidiary Group thereupon decided to make an on-the-spot investigation of the situation. A team of the Subsidiary Group composed of representatives of Australia, Brazil, the Soviet Union, Syria, and the United States was dispatched to Yannina, where it arrived on July 14, expecting to spend several days in collecting information before a formal investigation by the Group as a whole. Colonel Iatrou, of the Greek Liaison Staff, informed the team that latest intelligence reports indicated that a guerrilla force of 2,500 had crossed the frontier from Albania along the Aous, destroying the Bourzani bridge, and had attacked and captured Konitsa and were advancing toward Yannina. They were unusually well supplied.

On July 14 the representative of Greece to the United Nations, Ambassador Dendramis, notified the Secretary-General of the incident, repeating the charges which had been made, indicating that units of “an International Brigade of irregulars and communists” had taken part in the Konitsa incident and stating that “leading persons of the Communist Party of Greece are also in Albania as well as in Yugoslavia for the purpose of forming a rebel ‘Government’, and eventually transferring its seat to the district against which the offensive is being launched.”96 Thus, conditions in northern Greece were becoming “drastically more serious”, and the Greek Representative requested “the members of the Security Council that they do everything possible to hasten action on the resolution now before the Security Council to give effect to the recommendation of this Commission.” It was also suggested that after a decision had been taken on the Resolution the Council could “consider whether further decisions” might “be necessary in the light of the present serious development”.

Procedure and investigation. The Subsidiary Group’s five-man team began its investigation of the Konitsa incident at Yannina on July 14. After hearing Colonel Iatrou of the Greek Liaison Staff, the team heard a pilot and observer of the Greek air force which had made five flights over the guerrillas’ formations on July 13. The witnesses declared that many guerrillas wore peculiar uniforms of blue coats, reddish shirts, and black trousers and apparently were very highly trained. Since the security of members of the team could not be guaranteed by the Greek Army, the Soviet Representative, Mr. Kasparov, insisted that the team remain in Yannina and visit the Bourzani bridge the next day.97

While the Subsidiary Group was apparently unable to substantiate the Greek charges as to the participation of an alleged international brigade in the incidents of July 11–12 in the Konitsa area, it gathered an impressive amount of evidence as to Albanian complicity in the Konitsa incident.98 The team held seven meetings from July 14 to July 16 at Yannina, heard six witnesses and a general survey by a member of the Greek Liaison Staff, and recommended that the Subsidiary Group as a whole make an investigation of the incident, using Yannina as a base. The general survey of the operations described the incident as an attempt at invading Greece from Albania, launched on July 12 by a force of about 3,000 men who crossed the frontier from a point south of Keskoviki and penetrated Greek territory between the Mertzani bridge and Height Maria (1634) near Prosilion along a front 10 kilometers wide.

Witnesses. Four principal witnesses were heard by the team at Yannina between July 14 and July...

16. A peasant, Konstantinos Dimopoulos, declared that he had seen four groups, each composed of about 50 guerrillas, crossing from Mertzani (Albania) into Greece near Kalovryssion on the morning of July 12. He also testified that between July 1 and 11 an average of five vehicles used to come each night from Permit and Leskowiki in Albania to Mertzani on the frontier. Sergeant Psichoios testified that on Saturday morning, July 12, he had seen about 10 columns each of between 50 and 100 men crossing into Greece from Albania near Prosilion; he had observed the movement from Lithari Height. Maj. Andreas Rondoyannis declared that throughout Friday, July 11, he had observed movements in which about 500 persons were involved between Radat (Albania) and Prosilion (Greece) and that he observed these people crossing the frontier. Asked for details, Rondoyannis said:

"I told you that people moving there were about 500. These people were actually moving and crossing, going and coming back. They were not in one column so that they could be counted. They were continuously coming and going back, and we estimated that they numbered about 500. I saw them coming and even asked for the help of the artillery but they refused because the border was near and they wished to avoid creating an incident. When I state that I did not see them crossing the border, I mean that I did not see them at the main border. But at the small border between Radat and Prosilion, I saw these people cross."

The next morning two large-scale attacks were launched by the guerrillas on the Greek post at Kavasila and adjoining Kavasila, in which an estimated 3,000 guerrillas were involved. Iosif Panayioutou, a farmer, said that on June 20 his band crossed into Yugoslavia, remained 10 days, received supplies of arms and clothing, and then went into Albania at Radat. Lakkas also testified that Ypsilantis made a speech declaring that they were going to attack and form a free Greek Government and indicated that a foreign brigade would support them. He deserted the band because the group had been "betrayed". He estimated the bands at about 2,000 members, although the number may have been much smaller. Altogether he spent two days and two nights in Albania. Dimitrios Repas said that he belonged to the band of Paleologos, which crossed from Greece into Albania on July 10 and stopped in a forest, where the Albanian soldiers distributed hand grenades and other supplies.

Tirana, where he was held prisoner for 23 days; and that he was then incorporated into a band and sent to Konitsa, where the band received weapons and clothing, including English boots from UNRRA. He was given an English rifle with 45 cartridges. Coming into Greece, Koukis was attached to the first company under Kapetan Tsouknidis of the Epirus headquarters of Petritis. His company entered Greek territory near Prosilion on July 12, and he escaped. The witness declared that before crossing into Greece Kapetan Ypsilantis said: "We are going to attack, and we are only going to see backs in front of us." Ypsilantis said that the guerrillas were going to "receive reinforcements, and that foreign brigades were going to arrive and that we were going to establish a free government". Ypsilantis further told the band that “the International Brigade were the partisan troops who fought during the occupation”. He added that “when we did have a free government that government would be supported by all the other Balkan States; and moreover, when that Government was established it would break the ribs of the actual Government in Greece.”

Simitrios Lakkas, a farmer who had been recruited forcibly into the guerrillas on April 23, testified that on June 20 his band crossed into Yugoslavia, remained 10 days, received supplies of arms and clothing, and then went into Albania. Lakkas also testified that Ypsilantis made a speech declaring that they were going to attack and form a free Greek Government and indicated that a foreign brigade would support them. He deserted the band because the group had been "betrayed". He estimated the bands at about 2,000 members, although the number may have been much smaller. Altogether he spent two days and two nights in Albania. Dimitrios Repas said that he belonged to the band of Paleologos, which crossed from Greece into Albania on July 10 and stopped in a forest, where the Albanian soldiers distributed hand grenades and other supplies.

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His battalion entered Greek territory near Prosilikon on July 12, and he was able to desert. Many of the Andartes spoke a Slav language, and all wounded were taken to Albania for treatment. He quoted Ypsilantis as saying that “two volunteer foreign brigades will come behind us and then we will form a free Government”. Albanian soldiers kept saying that they would also come and help the Andartes. Efthimios Velkos also belonged to the band of Paleologos and declared that his band had crossed into Yugoslavia in June, where they were given rifles, light machine guns, mortar ammunition, and clothing. In the beginning of July the band went into Albania and was given additional ammunition, including grenades, by Albanian soldiers. Later, he said, they crossed into Greece, were shelled by Greek artillery, and returned to Albania. On the same day, however, the band again crossed into Greece and reached Kato Soudhena, where they were attacked by airplanes. His battalion was obliged to withdraw the next day, and he was taken prisoner. Gika Kleoniki declared that from her village of Iliorachi on July 12 she saw many groups of guerrillas coming from Bania Kukes (Albania) and going towards Skordili into Greece. She estimated them at about 1,000 men, many of whom were Albanians and other foreigners.

On July 21 the Subsidiary Group traveled north from Yannina for seven hours by bus and mule to visit the Greek-Albanian frontier where the incidents were alleged to have taken place. On the height of Lithari, overlooking the frontier and the Sarantoporos River, the Subsidiary Group heard witnesses who took part in the operations of July 12–13. Capt. Christoforos Bougeris, who commanded the company on Lithari on July 12–13, told the Group that on July 12 he saw columns of guerrillas cross from Albania into Greece. The next morning he saw guerrillas returning into Albania, one group having four loaded animals which he thought carried wounded. Bougeris said the guerrillas brought with them into Greece sufficient ammunition for an expedition deep into the interior of the country. He saw whole columns of animals loaded with munitions. His testimony was confirmed by Sergeant Psychioios.

At the Bourzanib bridge, west of Konitsa, Capt. Marius Marniakis described how guerrillas attacked the bridge on July 12 and captured it on July 13. He indicated that the guerrillas tried to destroy the bridge but only damaged it, and it was recaptured on July 16.

On the roadside a few miles from the bridge the Subsidiary Group, despite the protest of the Soviet Representative that it was a violation of Greek sovereignty, examined three witnesses picked up at random. One of these, Stratos Hartis, a shepherd of Mazo, said that there was fighting in the whole area on July 13 and that the guerrillas, about 3,000, had killed and looted. Nikolaos Beldikittos, a 14-year-old boy, said that he heard sounds of fighting for two or three days, about July 12, and that Albanians were mixed among the Greek guerrillas who passed through the village. Stefanidis Panayiotis, who was called from a field near the bridge, heard but did not see the fighting at the bridge. From his village, for days before the actual fighting, he saw many cars in Albania drive up to the border and leave again after about half an hour. After the fighting he did not see any more cars.

Apostolos Lotos, a farmer, testified on July 23 at Yannina that he had noticed the going and coming of trucks from Leskovik to Mertzani and with his own eyes observed two cars which arrived on Friday evening, July 11. They kept arriving “during the whole night up to Saturday morning. There were several columns of cars that went by; they were composed each of 10 to 15 cars and they stopped on the way.”

On July 24 the Subsidiary Group heard two more witnesses on the Konitsa incidents. One of these, Ioannis Giovakis, declared that he was a member of a guerrilla battalion of from 300 to 320, including 15 women, which crossed from Gramos, Greece, into Albania on the night of July 10. He spent July 12 in an Albanian village near the frontier, believed to be Radat. The next
morning, July 13, his battalion crossed into Greece and fought an all-day battle in the hills, after which they advanced again. On July 14 he managed to surrender to the Greek Army. He said that there were some 43 Slavo-Macedonians in his battalion at Gramos. He had heard that about eight to nine battalions, about 1,000 men, crossed back into Greece from Albania on the week end of July 12–13. Before they left Albania, according to Giovakis, his Commander told them that they soon would receive the help of 70,000 men from the Allied Armies, although he had heard nothing of an international brigade. Ten of his comrades, wounded on July 13, were evacuated into Albania.

An Army private told the Subsidiary Group that on July 13, while traveling from Konitsa toward Yannina, he and four others were captured near Bourzani bridge and saw three or four men who looked like foreigners and spoke a foreign language.

In a summary report of the evidence by the Subsidiary Group to the Commission, dated July 30, the Subsidiary Group stated that two witnesses had declared that guerrilla bands, which had gone into Yugoslavia in June, had crossed into Greek Macedonia and Albania about July 1. Six witnesses testified that their bands entered Albania about July 9–10, escorted by Albanian soldiers, that they entered Greece from Albania, meeting heavy Greek artillery fire, and that they withdrew into Albania on July 12. Three Greek soldiers testified that their bands (Khassia, Vermion, and Voion) received arms, grenades, food, and clothing in Albania. A Greek Army officer indicated that he observed columns of animals loaded with ammunition coming from Albania into Greece. Four witnesses stated that they had seen small convoys of trucks, mules, and cars coming from Albania to the Greek border. Seven guerrillas testified that their bands crossed into Greece from Albania between Mali Kaminikut and Mertzani on July 11–13. Five Greek soldiers who observed about eight to nine battalions crossing the frontier confirmed this testimony, as did five civilians. Four people testified that the guerrillas wounded were taken into Albania for treatment. Six guerrillas declared that prior to the invasion guerrilla leaders had stated that “foreign brigades” would assist them and that they would establish a “free government.”

Albanian Complaints Against Greece

The Albanian Government refused to permit any investigation of the Konitsa incident on Albanian soil, just as it had refused to permit any investigation of the Sarantoporos Bania incident.

Nevertheless, the Albanian Government persisted in charging the Greek Government with violations of its frontiers and urging the Security Council to do something about it, although at no time did it refer a charge to the Subsidiary Group. On May 22, 1947, the Albanian Government charged that Greek airplanes had flown over Albanian territory on May 21, machine-gunning villages. On June 25 the Albanian Government called attention to no fewer than 23 alleged Greek provocations between May 18 and June 17, 1947.

On August 11 Albania charged Greece with 15 flights by Greek military planes over the Albanian frontier, although this was categorically denied by Greece, which suggested that the charges could be verified easily by reference to the Subsidiary Group, with which Albania refused to cooperate.

On September 8 the Albanian Government charged Greece with no less than 20 violations of the Albanian frontier between August 8 and August 29, although it called for no investigation. The Greek Government immediately denied these charges and declared that it considered “the appropriate organ of the United Nations, i.e. the Subsidiary Group in Salonika, should be approached by the complaining Government with a view to conducting an immediate investigation on the spot. The Greek Government wishes to state herewith that any such investigation of the alleged incidents will be readily accepted by Greece.” Altogether Albania has charged some 65 violations of its frontier since March 1947.

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Vol. XVII, No. 441
December 14, 1947
The Department of State bulletin

VOL. XVII, No. 441 • PUBLICATION 3004

December 14, 1947

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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U. S. Government Printing Office
Washington 25, D. C.

Subscription:
$2 issues, $5; single copy, 15 cents
Published with the approval of the
Director of the Bureau of the Budget

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The Office of Special Political Affairs of the Department of State presents the following factual summary of the work of the General Assembly of the United Nations, September 16–November 29, 1947, for the convenience of those having need of this information in advance of the issuance, next January, of the President’s annual report to the Congress on United States participation in the United Nations during the year 1947. The summary is accompanied by an annex giving the substance of the resolutions adopted by the General Assembly.

Political Issues

Admission of Pakistan and Yemen

On September 30 these two states were admitted to the United Nations by a decision of the Assembly, bringing the total membership to 57 states.

Threats to the Political Independence and Territorial Integrity of Greece

On October 21, 1947, the Assembly adopted a resolution which differed only in minor respects from the resolution originally proposed by the United States on this subject. The resolution takes note of the report of the Security Council’s Commission of Investigation to the effect that Albania, Bulgaria, and Yugoslavia had given support to guerrillas fighting against the Greek Government; calls upon those countries to do nothing which could furnish aid and assistance to the guerrillas; and establishes a special committee of 11 members, including the United States, to observe compliance with the Assembly’s recommendations for the settlement of the disputes among the four countries concerned and to assist in the implementation of such recommendations. During the debate all the members of the Soviet bloc indicated that they would not participate in the work of the special committee. Two of the 11 seats on the committee—those held open for the Union of Soviet Socialist Republics and Poland—will consequently remain unoccupied.

Measures To Be Taken Against Propaganda and the Inciters of a New War

The Soviet resolution on this subject was rejected, on a paragraph-by-paragraph vote, by the First Committee on October 27, 1947. The first paragraph, containing a condemnation of the United States, Greece, and Turkey, was withdrawn by the Soviet Representative before the vote, in favor of a Polish amendment, which was then defeated. In reply to an inquiry by the United States, the Chairman declared that this action constituted rejection of the Soviet resolution as a whole. A substitute proposal of Australia, Canada, and France condemning all forms of propaganda designed or likely to provoke or...
encourage any threat to the peace or act of aggression, and requesting each member to “take appropriate steps within its constitutional limits” to promote, by all means of publicity and propaganda available to it, friendly relations among nations, and to encourage the dissemination of information giving expression to the desire of peoples for peace, was adopted unanimously by the Assembly on November 3, 1947.\(^2\)

**The Problem of the Independence of Korea**

When the Political and Security Committee began debate on the United States resolution on this subject,\(^3\) the Union of Soviet Socialist Republics proposed that representatives of the Korean people be invited to take part in the discussion. The United States succeeded in radically changing the nature of this proposal by securing the adoption of an amendment which provided that, instead of inviting Korean representatives to attend United Nations meetings, the consultation should be held by a temporary United Nations Commission in Korea. On November 5 the First Committee defeated another Soviet proposal calling for withdrawal of all occupation troops at the beginning of 1948 and adopted, by a vote of 46 to 0 (the Soviet bloc not participating), a revised United States resolution. The resolution established a nine-member Temporary Commission on Korea (in which the one member from the Soviet bloc, the Ukrainian Soviet Socialist Republic, announced that it would not participate); recommended that an election be held in Korea not later than March 31, 1948, and that a national government be subsequently formed; and further envisaged the withdrawal of the armies of occupation after the national government had established its own national security forces and assumed the functions of government. The Commission is to facilitate and expedite the fulfilment of this program. This resolution was adopted by the General Assembly on November 14 by a vote of 43 to 0, with 6 abstentions.\(^4\) The Soviet bloc did not participate in the voting on the resolution. The plenary session rejected a Soviet proposal for the withdrawal of occupation troops by the beginning of 1948.

**Establishment of an Interim Committee of the General Assembly**

The United States proposal for the establishment of an Interim Committee of the General Assembly, which is to function until the opening of the next regular session of the Assembly, was adopted on November 13 by a vote of 41 to 6, with 6 abstentions.\(^5\) The resolution provides that the Interim Committee shall assist the General Assembly by considering matters specifically referred to it by the Assembly; by considering disputes or situations placed on the Assembly’s agenda by a member state or by the Security Council; by making studies on how the general principles of international cooperation in the political field and in the maintenance of international peace and security shall be implemented; and, within the scope of its jurisdiction, by conducting investigations and appointing commissions of inquiry which may function away from the headquarters of the United Nations with the consent of the state or states whose territory is to be visited. The resolution reflects in essence the original proposal made by the United States, departing from it principally in its requirement of a two-thirds majority for the inclusion of items on the Committee’s agenda on its own initiative, and of a similar majority for the establishment of commissions of inquiry. Members of the Soviet bloc refused to participate in the work of the drafting subcommittee which prepared the final text, and the six eastern European states declared that they regarded the Interim Committee as illegal under the Charter and that they would not take part in its activities.

**Membership Problems**

The General Assembly’s dissatisfaction with the failure of the Security Council to recommend the admission to the organization of applicant states considered qualified for membership was reflected in a series of Assembly resolutions passed by large majorities. One resolution, proposed by Poland, recommended that the permanent members of the Security Council consult with a view to reaching agreement on the admission of additional appli-
Another requested the International Court of Justice to render an advisory opinion on the legality of withholding consent to the admission of an applicant state for reasons not expressly provided for under article 4, paragraph 1, of the Charter, and particularly on the legality of the Soviet contention that the admission of a qualified applicant can be made conditional upon the admission of other states to membership. In four other resolutions the General Assembly approved the qualifications of Eire, Portugal, Finland, and Austria and requested the Security Council to reconsider their applications. Similar resolutions were passed with regard to Transjordan and Italy, but in these cases the Security Council was requested to reconsider the applications before the Assembly adjourned. (This was done, without result, on November 22.) The entire series of eight resolutions was passed by overwhelming majorities, with the eastern European bloc providing the principal opposition.

Relations of Members of the United Nations With Spain

Although the eastern European states demanded that stronger action be taken against the Franco government in Spain, and although a number of Latin American governments favored a reaffirmation of the General Assembly resolution of December 12, 1946, in this matter, the Assembly merely expressed its confidence that the Security Council would exercise its responsibilities under the Charter as soon as the Council considered that the situation in regard to Spain so required. The vote on this resolution was 36 to 5, with 12 abstentions. An additional paragraph reaffirming the resolution of 1946 failed to receive the two-thirds majority required for its adoption by a vote of 29 in favor and 19 against, with 6 abstentions. An alternative resolution, calling upon the two Governments to continue their efforts to reach agreement through a round-table conference or other direct means and, if such methods failed, to submit the question of the extent of their obligations to the International Court of Justice, was also rejected, by a vote of 24 in favor, 29 against, and 3 abstentions. The United States supported this resolution.

Voting in the Security Council

Three proposals on this subject were introduced in the Assembly: an Argentine resolution providing for the convocation of a general conference to study the possibility of amending the privilege of the veto; a Chinese draft designed to modify the exercise of the veto through certain changes in the practices and procedures of the Security Council; and a United States draft referring the problem to the Interim Committee for study. Under the American proposal, which was adopted by a vote of 38 to 6, with 11 abstentions, the Interim Committee will consult with any committee which the Security Council may designate for cooperation in the study of the problem and will report its conclusions to the Third Session of the General Assembly. The American proposal also requests the permanent members of the Security Council to consult with one another on the problem.

Suggestions to the Countries Concerned With the Peace Treaty With Italy

The proposal that the Assembly consider this item, which had been dropped to the end of the agenda of the First Committee, was withdrawn by Argentina and was not discussed in the Assembly.

December 14, 1947
Future Government of Palestine

On November 29, 1947, by a vote of 33 to 13, with 10 abstentions, the General Assembly adopted a resolution recommending a plan of partition with economic union for Palestine. The Assembly action was based upon the majority report of the United Nations Special Committee on Palestine, which had been created by the First Special Session of the General Assembly in May 1947—a session called on the initiative of the United Kingdom. In making this decision the Assembly took into consideration both the minority report of the Special Committee, proposing a federal state for Palestine, and a subcommittee proposal for a unitary Palestinian state to be prepared during the Third Regular Session. The partition plan as adopted provides for the creation of independent Arab and Jewish states and a special international regime for the City of Jerusalem to be administered by the Trusteeship Council on behalf of the United Nations. These three entities are to come into existence not later than October 1, 1948, following completion of the withdrawal of the armed forces of the United Kingdom by August 1, 1948. The administration of Palestine is to be progressively turned over to a commission of five members as the mandatory power withdraws its armed forces. This commission, composed of representatives of Bolivia, Czechoslovakia, Denmark, Panama, and the Philippines, is to act in conformity with the recommendations of the General Assembly, under the guidance of the Security Council, and to establish in each state a provisional council of government. The resolution also provides for the economic union of all of Palestine and for the safeguarding of the Holy Places and the protection of religious and minority rights.

Economic and Social Matters

Recommendations on Economic Problems

The Soviet bloc failed in an attempt to secure the passage of resolutions critical of the United States foreign-aid program and the "Marshall Plan." The Assembly has adopted resolutions recommending the preparation by the United Nations of periodic reports on world economic conditions and trends, the implementation by member states of General Assembly recommendations on economic and social matters, and a study of factors bearing upon the establishment of an economic commission for the Middle East. The Assembly has also approved the applications of Austria and Italy for membership in the International Civil Aviation Organization. A Yugoslav resolution on the subject of relief needs after the termination of UNRRA, which stated that relief supplies should not be used as a political weapon and indicated that the previous Assembly resolution had not been implemented in this respect, was rejected in committee. The Assembly did not adopt a resolution on this subject.

Agreements With Specialized Agencies

The Assembly approved agreements bringing the United Nations into relationship with five specialized agencies—the World Health Organization, the Universal Postal Union, the International Telecommunication Union, the International Bank for Reconstruction and Development, and the International Monetary Fund.

Advisory Social Welfare Services

A United Kingdom proposal to reduce the appropriation for the United Nations Advisory Social Welfare Services program from $670,000 (for 1947) to $150,000 (for 1948) was defeated in committee. The Assembly approved the higher figure.

Conference on Freedom of Information

The Union of Soviet Socialist Republics proposed that the Assembly recommend to the Economic and Social Council a reconsideration of the agenda of the forthcoming Conference on Freedom of Information, with a view to placing additional emphasis on the Soviet conception of freedom of the press and press responsibility. This proposal was defeated in committee.

Dissemination of False or Distorted Reports

A Yugoslav proposal inviting states to take urgent legislative and other measures to establish the responsibility of newspaper publishers who print false and tendentious reports calculated to disturb international relations was withdrawn, after discussion, in favor of a milder French resolution. This resolution, supported by the United States and adopted by the Committee, invites governments to study the measures they might take to combat, within the limits of their constitutional procedures, the diffusion of false or distorted reports likely to injure friendly relations, and to submit reports on this subject to the Conference.
on Freedom of Information. The resolution was adopted unanimously by the General Assembly.

Immigration Problems

A number of states introduced resolutions designed to assist in the achievement of their objectives in dealing with displaced persons. The delegations of Egypt, Iraq, and Lebanon originated one proposal providing for international cooperation to prevent immigration likely to disturb friendly relations among nations. The Soviet Union sponsored a draft which, had it passed the Assembly, would have operated to facilitate the repatriation of displaced persons to the countries of their origin and would have recommended the cessation of recruitment of displaced persons as immigrants to distant countries. The United Kingdom proposed that the Assembly recommend that each member of the United Nations take urgent measures to settle a fair share of displaced persons and refugees in its country. The resolution adopted by the Assembly reiterated the principles of earlier resolutions on this subject, invited member states not to assist illegal immigration, and recommended that urgent measures be taken to encourage voluntary repatriation and to settle a fair share of nonrepatriable persons in each member state.

Exchange of Workers

The Assembly urged that member states which so desire should arrange, by direct agreement, to facilitate the exchange of workers between countries to enable them to improve their knowledge of their trades and to permit them to study the economic and social problems "confronting their comrades in other countries".

Trade-Union Rights (Freedom of Association)

After a long discussion in committee, the Assembly adopted a resolution on this subject, approving action taken by the Economic and Social Council and the International Labor Organization to formulate definitive principles in this field and endorsing the principles proclaimed by the International Labor Organization.* The discussion centered about differing conceptions of trade-union rights, with the eastern European group placing emphasis on the role of the World Federation of Trade Unions and the Argentine Delegation proposing that the rights of labor be spelled out in considerable detail.

Teaching of the Purpose, Principles, Structure, and Activities of the United Nations in the Schools

A resolution was adopted recommending that members take measures at the earliest possible date to encourage the teaching of these matters in their schools, with the assistance, where requested, of UNESCO and with the cooperation of the United Nations Secretariat. Member states are requested to furnish the Secretariat with information on the measures taken to implement this resolution.

World Health Organization

The Assembly recommended that all members of the United Nations which have not already done so should accept the constitution of the World Health Organization at the earliest possible date. (The United States has not yet accepted the constitution.)

Traffic in Women and Children and Obscene Publications

The General Assembly has adopted a resolution providing for transfer to the United Nations of functions and powers exercised by the League of Nations under the conventions of 1921 and 1933 on the traffic in women and children and that of 1923 on the traffic in obscene publications. The matter became important only because the Soviet Union sought the deletion of a technical article in the conventions, providing for separate accession by colonial powers on behalf of their colonies. The U.S.S.R. exploited this article to create an issue directed toward the proposition that certain colonial powers, especially the United Kingdom, were endeavoring to protect this traffic in their colonial territories. The United States voted with the United Kingdom on this point, but the Soviet proposal was accepted by the Assembly, 23 to 21.

Matters Involving Trusteeship and Non-Self-Governing Territories

South-West Africa

The Assembly passed a resolution urging South Africa to submit a trusteeship agreement for South-West Africa and expressing the hope that it may find it possible to do so soon enough to enable the Assembly to consider the agreement at its Third Session. The United States supported

* Bulletin of Nov. 9, 1947, p. 898.
a Danish amendment, which was adopted, eliminating a statement that it was the intention of the Charter that mandated territories must be placed under trusteeship and modifying, as indicated above, a rigid time limit (the 1948 session of the General Assembly) originally proposed for the submission of a trusteeship agreement for South-West Africa.

**Trusteeship Agreements for Non-Self-Governing Territories**

The General Assembly rejected a resolution proposed by India, and opposed by the United States, which stated that it was the intention of the Charter that non-self-governing territories shall be placed under trusteeship; asserted that the trusteeship system provides the “surest and quickest” means of enabling dependent peoples to attain self-government or independence; and expressed the hope that the administering members would place under trusteeship some or all of such territories as are not ready for self-government. The vote was 24 to 24, but the Assembly had previously decided that a two-thirds majority would be required for passage of this resolution.

**Information From Non-Self-Governing Territories**

Although the Fourth Committee had drastically altered three of the five resolutions prepared for the Assembly by a special ad hoc committee on non-self-governing territories which met last summer, the General Assembly passed all five resolutions in the original form. These resolutions represent a carefully balanced procedure for the handling of information voluntarily furnished to the United Nations by member states with colonial territories, in accordance with article 73 (e) of the Charter. Had they been sustained in the Assembly, amendments introduced by India and the Union of Soviet Socialist Republics would have gone far toward the establishment of a system very similar to the trusteeship system for non-self-governing territories not placed under that system. A special committee of 16 members has been established to examine the information transmitted to the United Nations in accordance with article 73 (e) of the Charter.

**Trusteeship Agreement for Nauru**

The General Assembly approved a trusteeship agreement for Nauru which had been submitted by Australia, New Zealand, and the United Kingdom.

**Administrative and Budgetary Matters**

**Budget Estimates for 1948**

The Assembly adopted a budget for 1948 totaling $34,825,195. This figure includes provision for the special Balkan Committee, the Korean Commission, the Interim Committee, and the holding of the Third Session of the General Assembly in Europe. Because of their opposition to the creation of the three committees mentioned above, the Slav states abstained in the final vote on the budget. The United Kingdom also abstained because of its opposition to the size of the direct and indirect expenditure for the public-information program—some $4,500,000. Making allowances for the additional sums required for new programs voted by the General Assembly, the final budget is about $7,000,000 below the original estimates presented by the Secretary-General. Total assessments upon members in 1948, including supplemental appropriations for 1947, will reach a figure of $34,940,036, of which the United States quota will be $13,937,580. The United States assessment in 1947 was $10,789,805.

**Scale of Contributions**

The scale of contributions adopted for 1948 is substantially the same as the 1947 scale. The United States quota continues unchanged at 39.89 percent of the total. The United States Delegation failed in its attempt to write into the rules of procedure of the General Assembly a requirement that no one member should be assessed a preponderant share of the organization’s expenses in normal times. It is understood, however, that the Assembly’s standing Committee on Contributions will study the feasibility of introducing a ceiling into the contributions scale. The United States Delegation indicated clearly that the willingness of the United States to contribute 39.89 percent of the organization’s budget for another year was based on a recognition of the economic difficulties of other members and of the continuing shortage of dollar exchange.

**Working Capital Fund and Finances of Trieste**

The Assembly agreed to maintain the Working Capital Fund for another year at the present level of $20,000,000. In accordance with a United
States proposal, the Secretary-General has been authorized to advance from the fund up to $5,000,000 for emergency assistance to the Free Territory of Trieste, if necessary. It is understood that replenishment of the Working Capital Fund will be made on the basis of a special scale of contributions, as an “operational” expense, and it may be anticipated that in this event the United States assessment for this purpose would exceed 40 percent.

**Relations With Specialized Agencies**

The General Assembly adopted without opposition a resolution calculated to encourage greater coordination between the United Nations and the specialized agencies and among the latter, with regard to working programs and administrative and financial matters. The resolution, as approved, calls upon members to take measures to insure on the national level that the policies of their delegations to the United Nations and to the various specialized agencies are consistent with each other. The resolution also requests the Economic and Social Council, the specialized agencies, and the Secretary-General to take certain steps to improve coordination of their budgets and activities.

**Tax Equalization**

The failure of the United States to grant tax exemption to its citizens employed in the United Nations Secretariat, coupled with the United Nations practice of reimbursing from the organization’s budget the taxes of such employees, has caused great resentment among many members over “payment of tribute to the United States Treasury” for this purpose. An attempt to assess the United States an additional contribution equal to the amount of tax refunds paid to United States nationals ($500,000) was defeated in committee with considerable difficulty. The Assembly finally agreed without objection that the Secretary-General should be authorized to pay such tax refunds for only one additional year and instructed him to submit to the next Assembly a detailed proposal for a staff contributions plan, a form of internal tax, which would assure approximate equality among staff members if the United States Congress were willing to grant relief from double taxation. The United States Representative in the Administrative and Budgetary Committee has indicated that the administration would again seek from Congress a specific exemption of American nationals, employed by the United Nations, from national income taxation.

**Legal Matters**

**War Criminals**

The General Assembly adopted a United Kingdom resolution, introduced after discussions with the United States, noting the accomplishments thus far in the surrender and punishment of war criminals; recommending that members continue to carry out their responsibilities in this regard; stating that members desiring the surrender of war criminals and traitors should request their surrender as soon as possible, with supporting evidence of guilt; and calling for fair trials. Resolutions introduced by the Soviet bloc, which by implication accused the United States, the United Kingdom, and France of failure to surrender war criminals in accordance with earlier Assembly resolutions on the subject, were defeated in committee.

**Headquarters Agreement Between the United Nations and the United States**

This agreement, already approved by the United States Congress, has received the unanimous approval of the Assembly. The headquarters agreement was brought into effect by an exchange of notes between the Secretary-General and the United States Government on November 21.

**Codification of International Law and Related Problems**

The General Assembly has approved a resolution recommending the establishment of an International Law Commission for the purpose of codifying international law and encouraging its development. The Commission will be elected at the next regular session of the General Assembly, and the Secretary-General will proceed with the necessary preparatory work in the interim. When it is organized the International Law Commission will, by direction of the Assembly, prepare a draft declaration on the rights and duties of states based upon a draft presented to the Assembly by Panama. The Commission has also been given the

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task of formulating the principles of international law recognized by the charter of the Nürnberg Tribunal and by the judgment of that tribunal.

**Draft Convention on Genocide**

A discussion took place in committee on the question whether a convention on genocide is desirable and necessary, whether a separate convention on the subject should be concluded or whether the matter should be covered in the convention regarding the legal principles of the Nürnberg charter, and whether the Economic and Social Council, the International Law Commission, or some other body should draft the convention. The Assembly eventually requested the Economic and Social Council to continue its work on a draft convention on genocide, the Council being directed to take into account the fact that the International Law Commission has been charged with the formulation of the legal principles recognized in the Nürnberg charter as well as the preparation of a draft code of offenses against the peace and security of mankind.

**Coordination of the Privileges and Immunities of the United Nations and of the Specialized Agencies**

In the first of three resolutions on this subject the Assembly approved a convention on the privileges and immunities of the specialized agencies and for accession by all members of the United Nations and by any other state member of a specialized agency. When in force the convention will to a considerable extent coordinate and unify the privileges and immunities enjoyed by the specialized agencies along lines broadly similar to those set forth in the general convention on privileges and immunities of the United Nations. Other resolutions recommend that in the future new specialized agencies receive privileges and immunities governed by the proposed convention and recommend that member states immediately accord to the specialized agencies as far as possible the privileges and immunities provided for in the convention.

**Need for Greater Use of the International Court of Justice**

Over objections from the eastern European states that the International Court of Justice was not competent to interpret the Charter, the Assembly recommended that United Nations organs and the specialized agencies refer difficult points of law, including those relating to interpretation of the Charter, to the International Court for advisory opinions.

**Revision of General Assembly Rules of Procedure**

After long consideration by a special committee and a subcommittee of the Assembly, a revised set of rules of procedure was adopted by the Assembly. It is believed that the revised rules will permit decisions to be reached with fewer procedural difficulties than in the past.

**United Nations Headquarters**

The Assembly approved the general plans for the permanent headquarters of the United Nations; authorized the Secretary-General to conclude an agreement with the United States for an interest-free loan of not more than $65,000,000, which would require approval by the United States Congress, to pay for construction costs; and empowered him to proceed subsequently with the construction of the permanent headquarters. This resolution was adopted unanimously.

**Election to Councils**

Argentina, Canada, and the Ukrainian Soviet Socialist Republic were elected as nonpermanent members of the Security Council, replacing Australia, Brazil, and Poland. The Ukraine was not elected by the necessary two-thirds majority until the twelfth ballot, after a long contest with India. The United States supported India, and abstained after India had publicly withdrawn its candidacy.

In the elections for membership on the Economic and Social Council, the United Kingdom and the Union of Soviet Socialist Republics were re-elected, while Australia, Brazil, Denmark, and Poland also secured seats. The retiring members of the Council are India, Czechoslovakia, Cuba, and Norway.

The Philippines and Costa Rica were elected to the Trusteeship Council for three-year terms, receiving the necessary two-thirds majority on the eighth and tenth ballots respectively. Norway and Siam were the other leading contenders. The United States supported the Philippines and Norway.

**Department of State Bulletin**
### BODIES ESTABLISHED BY THE GENERAL ASSEMBLY DURING THE SECOND REGULAR SESSION

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<tr>
<th>Body</th>
<th>Membership</th>
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<tbody>
<tr>
<td>Special Committee on Greece</td>
<td>Australia, Brazil, China, France, Mexico, Netherlands, Pakistan, United Kingdom, United States, Poland (seats being held though participation declined), U.S.S.R. (seats being held though participation declined)</td>
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Interim Committee of the General Assembly

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<tr>
<td>Committee to choose city for 3d General Assembly Session</td>
<td>Australia, Byelorussian S.S.R., Ethiopia, India, Lebanon, Netherlands, Norway, Panama, Uruguay</td>
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<tr>
<td>Special Committee on Information Transmitted Under Article 73 (e) of Charter</td>
<td>China, Colombia, Cuba, Egypt, India, Nicaragua, Sweden, U.S.-S.R., Australia, Belgium, Denmark, France, Netherlands, New Zealand, United Kingdom, United States</td>
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<tr>
<td>Advisory Committee on Headquarters</td>
<td>Australia, Belgium, Brazil, Canada, China, Colombia, France, Greece, India, Norway, Poland, Syria, U.S.S.R., United Kingdom, United States, Yugoslavia</td>
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<td>International Law Commission</td>
<td>Members to be elected at next General Assembly Session</td>
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<tr>
<td>Special Commission on Palestine</td>
<td>Bolivia, Czechoslovakia, Denmark, Panama, Philippines</td>
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### ANNEX: SUMMARY OF RESOLUTIONS ADOPTED AT THE SECOND REGULAR SESSION OF THE GENERAL ASSEMBLY

#### Political and Security Issues

**Admission of Yemen and Pakistan to Membership in the United Nations**

Adopted September 30 unanimously with regard to Yemen and by vote of 53 to 1 with regard to Pakistan. (The negative vote, cast by Afghanistan, was withdrawn on October 20.)

December 14, 1947

#### Threats to the Political Independence and Territorial Integrity of Greece

Taking account of the report of the Security Council Commission of Investigation with regard to the assistance rendered to the guerrillas in Greece by Albania, Bulgaria, and Yugoslavia, this resolution calls upon these three countries to do nothing which could assist the guerrillas. It also
calls upon the three countries and Greece to cooperate in settling their disputes by peaceful means, through the reestablishment of friendly relations, the conclusion of frontier conventions, the settlement of refugee problems, and a study of the practicability of agreements for the voluntary transfer of minorities. A special committee of nine members, including the United States, is established to observe the compliance with the recommendations and to be available to assist the four Governments concerned in their implementation. Additional seats are left open for the Soviet Union and Poland. The Committee, which will have its headquarters in Salonika, is authorized to recommend the convocation of a special session of the Assembly if necessary.

This resolution was adopted by a vote of 40 to 6, with 11 abstentions, on October 21. Polish and Soviet proposals on this subject were rejected by the Assembly in plenary session.

**Measures To Be Taken Against Propaganda and the Inciters of a New War**

Recalling the Charter provisions which look toward the maintenance of peace and the promotion of respect for fundamental freedoms, including freedom of expression, this resolution condemns all forms of propaganda, wherever conducted, designed or likely to provoke or encourage any threat to the peace, breach of the peace, or act of aggression. Each member is requested to take appropriate steps, within its constitutional limits, to promote friendly relations among nations, based on the purposes and principles of the Charter, by all available means of publicity and propaganda, and to encourage the dissemination of all information designed to give expression to the desire of all peoples for peace. The resolution was adopted unanimously on November 3.

**The Problem of the Independence of Korea**

Two resolutions on this subject were adopted by the Assembly. In the first, the Assembly resolves that elected representatives of the Korean people should be invited to take part in the consideration of the question of Korean independence and that, in order to facilitate such participation and to observe that these representatives are in fact duly elected by the Korean people, a United Nations Temporary Commission on Korea should be present in the country with the right to travel, observe, and consult throughout Korea. The second resolution establishes a nine-member commission (not including the United States or the Union of Soviet Socialist Republics); recommends that elections be held not later than March 31, 1948, to choose representatives with whom the commission may consult regarding Korean independence, the representatives to constitute a national assembly and to establish a national government; and further recommends that that government thereafter constitute its own security forces, take over the functions of government, and arrange for the withdrawal of the armed forces of the occupying Powers as early as practicable and if possible within 90 days. The Korean commission may consult with the Interim Committee of the Assembly with regard to the application of this resolution. Member states are called upon to assist the commission and to refrain from interference in the affairs of the Korean people except in pursuance of the General Assembly's decision. The Ukrainian Soviet Socialist Republic, which is named as a member of the Korean commission, has stated that it will not participate.

Both resolutions were adopted by the General Assembly on November 14 by a vote of 43 to 0, with 6 abstentions.

**Establishment of an Interim Committee of the General Assembly**

In this resolution the Assembly establishes an Interim Committee on which each member of the Assembly has the right to appoint one representative, the Committee to function until the opening of the next regular session of the Assembly. The Interim Committee, as a subsidiary organ of the Assembly, is to assist it by considering and reporting on matters referred to the Committee by the Assembly, and on disputes or situations placed on the agenda of the Assembly by a member state, if a two-thirds majority of the Committee approves, or by the Security Council. The Interim Committee is also authorized to report to the Assembly on the general principles of cooperation in the maintenance of peace and security and on cooperation in the political field; to recommend the summoning of special sessions of the Assembly if required; and to appoint commissions of inquiry, by a two-thirds majority, provided that no inquiry shall be made away from the headquarters of the United Nations without the consent of the state or states in whose territory it is to take place. The
Interim Committee is directed at all times to take into account the responsibilities of the Security Council under the Charter as well as the duties assigned to other Councils or to any committees or commissions. The Committee may not consider any matter of which the Security Council is seized.

This resolution was adopted on November 13 by a vote of 41 to 6, with 6 abstentions.

Admission of New Members

A series of eight resolutions was adopted on this subject on November 17:

(a) By 46 to 1, with 5 abstentions, the Assembly recommended that consultation take place among the permanent members of the Security Council with a view to reaching agreement on the admission to membership of applicants not yet recommended for admission by the Council.

(b) By 40 to 8, with 2 abstentions, the Assembly requested the International Court of Justice to render an advisory opinion on the question whether a member of the United Nations could make its consent to the admission of an applicant dependent upon conditions not expressly provided for in article 4, paragraph 1, of the Charter, particularly whether a member may condition an affirmative vote on an applicant it recognizes as qualified upon the admission of other states to membership together with that state.

(c) By a vote of 43 to 8, with 1 abstention, the Assembly declared that Eire was qualified for admission to membership and should be admitted, and requested the Security Council to reconsider its application.

(d) By 44 to 8, with no abstentions, the Assembly adopted a similar resolution with regard to Finland.

(e) By a vote of 40 to 9, with 3 abstentions, the Assembly adopted a similar resolution with regard to Portugal.

(f) By 44 to 8, with no abstentions, the Assembly adopted a similar resolution including additional language requesting reconsideration by the Security Council of the application of Transjordan before the end of the Second Regular Session of the General Assembly.

(g) By 43 to 8, with 1 abstention, the Assembly adopted a similar resolution, likewise calling for Security Council reconsideration before the end of the Assembly session, with regard to the application of Italy.

(h) By 43 to 8, with 1 abstention, the Assembly expressed the opinion that Austria was a peace-loving state within the meaning of the Charter and consequently requested the Security Council to reconsider its application.

Rules Governing the Admission of New Members

The Assembly agreed on November 21, without objection, to four new rules of procedure which in effect systematize the existing practice with regard to the admission of new members.

Relations of Members of the United Nations With Spain

On November 17 by a vote of 36 to 5, with 12 abstentions, the Assembly expressed its confidence that the Security Council would exercise its responsibilities under the Charter as soon as it considered that the situation in regard to Spain so required.

Treatment of Indians in the Union of South Africa

No resolution on this subject received the two-thirds majority required for its adoption.

Study of the Problem of Voting in the Security Council

The resolution adopted by the General Assembly requests the Interim Committee to consider this problem, to consult with any committee established by the Security Council for cooperation in this study, and to report, with its conclusions, by July 15, 1948. The Assembly also requested the permanent members of the Security Council to consult together on the problem in order to secure agreement on measures to insure the efficient functioning of the Council. This resolution was adopted on November 21 by a vote of 38 to 6, with 11 abstentions.

Report of the Security Council

The Assembly, on November 21, merely took note of this report.

Suggestions to the Countries Concerned With the Peace Treaty With Italy

The proposal on this item was withdrawn from the agenda by the Argentine Delegation November 19, 1947.

Future Government of Palestine

This resolution provides for the partition of Palestine into independent Arab and Jewish states
and the City of Jerusalem, these entities to come into existence not later than October 1, 1948. Jerusalem is to be placed under a special international regime and is to be administered by the Trusteeship Council on behalf of the United Nations. The plan also provides for the economic union of all of Palestine. The administration of Palestine, as the Mandatory Power withdraws its armed forces, is to be progressively turned over to a commission of five members which, under the guidance of the Security Council, is to act in conformity with the recommendations of the General Assembly. The commission is to select and establish in each state as rapidly as possible a Provisional Council of Government which, acting under the Commission, is to have full authority in the areas under its control. Express provisions are included in the plan for the safeguarding of the Holy Places and the protection of religious and minority rights. The United Kingdom, as the Mandatory Power for Palestine, and all other members of the United Nations, are asked to adopt and implement the plan.

The resolution and plan were adopted by the General Assembly on November 29 by a vote of 33 to 13, with 10 abstentions.

**Economic and Financial Matters**

**Reports on World Economic Conditions and Trends**

In this resolution the General Assembly recommends to the Economic and Social Council that it consider a survey of current world economic conditions and trends at least annually; that such consideration include an analysis of the major dislocations of needs and supplies in the world economy; and that the Council make recommendations as to the appropriate measures to be taken by the General Assembly, the members of the United Nations, and the specialized agencies concerned. The Secretary-General is requested to assist the Council and its subsidiary organs by providing factual surveys and analyses of economic conditions and trends.

The General Assembly adopted this resolution unanimously on October 31.

**Implementation of Economic and Social Recommendations**

In this resolution the General Assembly calls upon all members of the United Nations to carry out all recommendations of the General Assembly on economic and social matters and recommends that the Secretary-General report annually to the Economic and Social Council and that the latter report to the General Assembly on steps taken by the members to give effect to recommendations of the Economic and Social Council and to recommendations of the General Assembly on matters falling within the Council's competence.

The General Assembly adopted this resolution unanimously on October 31.

**Study of Factors Bearing Upon the Establishment of an Economic Commission for the Middle East**

In this resolution the General Assembly takes note of the resolution adopted by the Economic and Social Council requesting the Economic and Employment Commission to study the general problems connected with the establishment of regional commissions; takes note of the decision of the Economic and Social Council to establish an ad hoc committee for the purpose of studying the factors bearing upon the establishment of an economic commission for Latin America; and invites the Economic and Social Council to study the factors bearing upon the establishment of an economic commission for the Middle East.

The General Assembly adopted this resolution by a vote of 43 to 0, with 4 abstentions, on October 31.

**Applications by Italy and Austria for Membership in the International Civil Aviation Organization**

In two resolutions the General Assembly informs the International Civil Aviation Organization that it has no objection to the admission of Italy and Austria to the organization. The General Assembly adopted the resolution concerning Italy unanimously on October 31, and the resolution concerning Austria by a vote of 39 to 5, with 2 abstentions, on November 1.

**Relief Needs After the Termination of UNRRA**

After consideration of this question, the Assembly took no action.

**Agreements With Specialized Agencies**

On November 15 the Assembly passed a resolution approving the agreements between the United Nations and the following specialized agencies:
the World Health Organization, the Universal Postal Union, the International Telecommunication Union, the International Bank for Reconstruction and Development, and the International Monetary Fund. There was no opposition, but the Soviet Union abstained in the vote on the agreements with the Bank and the Fund.

Proposal To Increase the Membership of the Economic and Social Council to 24

This item was withdrawn from the agenda by its sponsor, the Argentine Delegation.

Social, Humanitarian, and Cultural Matters


On October 20, by a vote of 50 to 0, with 3 abstentions, the Assembly approved two protocols amending these conventions to permit the performance by the United Nations of the functions formerly carried out by the League of Nations. The Assembly urged that these protocols be signed without delay by all states which are parties to the conventions and that effect be given to the provisions of the protocols by the parties pending their entry into force. As in the case of other functions transferred from the League of Nations to the United Nations, the Assembly directed the Economic and Social Council and the Secretary-General to suspend any action under these protocols and conventions with respect to the Franco government of Spain as long as that government is in power. Despite strong objections from the United Kingdom, the Assembly, by a vote of 23 to 21, with 11 abstentions, decided to delete from the conventions provisions for separate access thereto by colonial powers on behalf of their colonies.

International Cooperation for the Prevention of Immigration Likely To Disturb Friendly Relations Between Nations

On November 17, by a vote of 49 to 0, with 4 abstentions, the Assembly adopted a resolution stressing the desirability of implementing its earlier resolutions on this subject; inviting member states not to assist illegal immigration; and recommending that urgent measures be adopted to return repatriable refugees and displaced persons to their countries of origin as provided in an earlier resolution and for the settlement of a fair share of nonrepatriable refugees and displaced persons in each member state.

Transfer to the World Health Organization of Certain Assets of the United Nations

On November 17 the Assembly unanimously instructed the Secretary-General to effect the transfer of certain assets received from the League of Nations to the World Health Organization.

Report of the Economic and Social Council

In a formal resolution the Assembly on November 17 took note of this report.

Communication of the Conclusions of Regional Conferences and Assemblies to the Economic and Social Council

On November 17 the Assembly unanimously recommended that conclusions reached or studies made by regional conferences or assemblies of members of the United Nations in the social, humanitarian, and cultural field be transmitted to the Economic and Social Council, with a view to promoting comprehensive and universal solutions of such matters.

Entry Into Force of the Constitution of the World Health Organization

By unanimous vote the General Assembly on November 17 recommended that all members of the United Nations which have not already done so accept the constitution of the World Health Organization at the earliest possible date.

Conference on Freedom of Information

This resolution, which was unanimously adopted by the General Assembly on November 17, takes note of the provisional agenda of the Conference on Freedom of Information and invites the attention of the Economic and Social Council to the discussion of this matter in the Third Committee of the General Assembly.

Exchange of Workers

In this resolution the General Assembly urges those members of the United Nations which are so inclined to arrange with each other, by direct agreement, terms and conditions to facilitate the maximum possible exchange of workers for training in order to improve their knowledge of their trade and to study the economic and social problems confronting their comrades in other countries.

December 14, 1947
The General Assembly adopted this resolution unanimously on November 17.

Inquiry Concerning the Mastication of Coca Leaves

In this resolution the General Assembly expresses its interest in this “important” subject, and invites the Economic and Social Council to consider it “with all the urgency that it deserves”.

Entry Into Force of the Protocol of 11 December 1946 on Narcotic Drugs

This resolution urges those states which have signed the protocol of December 11, 1946, on narcotic drugs but have not yet deposited instruments of acceptance, to deposit these instruments at the earliest opportunity, so that the amendments to the previous international agreements, conventions, and protocols may enter into force by the end of 1947. It also endorses the invitation of the Economic and Social Council to all member states and all nonmember states which are parties to the international agreements, conventions, and protocols on narcotic drugs to become parties to this protocol.

The resolution was adopted unanimously by the General Assembly on November 17.

Trade-Union Rights (Freedom of Association)

On November 17, by a vote of 45 to 6, with 2 abstentions, the General Assembly adopted a resolution approving action taken by the Economic and Social Council and the International Labor Organization to formulate definitive principles in this field and endorsing the principles proclaimed by the International Labor Organization, in particular certain portions of the Ilo’s Declaration of Philadelphia, which are quoted in an annex to the resolution. In the same resolution the Assembly recommended that the International Labor Organization pursue the study of the control of the application of trade-union rights and freedom of association.

Teaching of the Purposes and Principles, the Structure and Activities of the United Nations in the Schools of Member States

In this resolution the General Assembly recommends that all member governments take measures at the earliest possible date to encourage the teaching of the purposes and principles, the structure and activities of the United Nations in their schools; invites the United Nations Educational, Scientific and Cultural Organization to assist members, at their request, in the implementation of this program; and calls for appropriate reports by members on the subject.

The resolution was adopted unanimously on November 17.

Dissemination of False or Distorted Reports

This resolution invites the governments of member states to study such measures as might with advantage be taken on the national plane to combat, within the limits of constitutional procedures, the diffusion of false or distorted reports likely to injure friendly relations between states and to submit reports on this subject to the Conference on Freedom of Information. The resolution also recommends that the Conference on Freedom of Information study, with a view to their coordination, the measures taken or advocated in this connection by the various states.

The General Assembly adopted this resolution unanimously on November 15.

International Children’s Emergency Fund

On November 20 the Assembly adopted by acclamation a resolution expressing satisfaction with the work already accomplished by the Fund; drawing the attention of member states to the need for financial support of the Fund; and recommending cooperation with the United Nations Appeal for Children (the nongovernmental fund-raising organization for this purpose). In a separate resolution the Assembly took note of the audit of the accounts of the Fund for the fiscal year 1946.

Trusteeship Matters

Report of the Trusteeship Council Covering Its First Session

The Assembly took note of this report on November 1.

Trusteeship Agreement for Nauru

On November 1, by a vote of 46 to 6, with 1 abstention, the General Assembly approved the Trusteeship Agreement for Nauru, submitted by the Governments of Australia, New Zealand, and the United Kingdom.

Question of South-West Africa

Recalling its resolution of December 14, 1946, recommending that the Mandated Territory of
South-West Africa be placed under trusteeship, and noting the decision of South Africa to preserve the status quo in that territory, the Assembly maintained its recommendation that the territory be placed under trusteeship, urged the Union Government to propose such a trusteeship agreement, and expressed the hope that the Union Government might do so before the Third Session of the General Assembly. The Trusteeship Council was authorized to examine the report on South-West Africa transmitted by the Union.

This resolution was adopted by a vote of 41 to 10, with 4 abstentions, on November 1.

Trusteeship Agreements for Non-Self-Governing Territories

A resolution expressing, in questionable terms, the hope that non-self-governing territories would be placed under trusteeship was rejected by a vote of 24 to 24, with 1 abstention, on November 1. (The resolution required a two-thirds majority for passage.)

Information From Non-Self-Governing Territories

On November 3 the Assembly adopted five resolutions which may be summarized as follows:

(a) The Assembly unanimously urged the use of a standard form prepared for the guidance of members in the preparation of information on non-self-governing territories to be submitted to the Secretary-General under article 73 (e) of the Charter.

(b) The Assembly unanimously adopted a resolution providing that the Secretary-General, in presenting such information, might also make use of official publications of the members administering the non-self-governing territories on subjects on which information is required under article 73 (e), provided that only publications transmitted or notified to the Secretary-General by the administering state concerned may be used. The Secretary-General is also authorized to use, under similar restrictions, documents published by intergovernmental or scientific bodies and to include relevant official statistical information by agreement with the member concerned.

(c) By a vote of 44 to 2, with 5 abstentions, the Assembly expressed its opinion that voluntary transmission to the Secretary-General of political information from non-self-governing territories is in conformity with the spirit of article 73 (e) of the Charter and should be encouraged.

(d) The Assembly unanimously invited the Secretary-General to take steps to secure the assistance of the specialized agencies in the preparation of analyses of information required under article 73 (e) of the Charter, on a functional basis.

(e) The Assembly created a special committee composed of eight members of the United Nations transmitting information on non-self-governing territories and eight other members, to examine the information thus transmitted and to submit reports thereon to the General Assembly. The special committee may make recommendations relating to functional fields generally but not with respect to individual territories. This resolution was adopted by a vote of 49 in favor, none opposed, with 4 abstentions. The special committee was duly elected and will meet no less than two weeks before the beginning of the next regular session.

Administrative and Budgetary Matters

Appointments To Fill Vacancies in the Membership of Subsidiary Bodies in the General Assembly

On November 1 the Assembly unanimously approved candidates for election to the Advisory Committee on Administrative and Budgetary Questions, the Committee on Contributions, and the Board of Auditors.

Financial Reports and Accounts for 1946 and the Report of the Board of Auditors

On October 20 the Assembly unanimously approved the financial report and accounts for 1946.

Report of the Committee on Contributions

The Assembly unanimously approved on November 15 the scale of assessments for the 1948 budget, which contains a United States quota of 39.89 percent of the total.

United Nations Joint Staff Pension Scheme: Appointment of an Investments Committee

The Assembly, on November 15, approved unanimously the appointment of an Investments Committee of three members, including Marriner S. Eccles of the United States, to advise the Secretary-General with regard to the investment of special and other funds under the control of the United Nations as well as of the pension funds.

December 14, 1947
Appointment of Alternate Members of the United Nations Staff Benefit Committee

Three alternate members were elected by unanimous vote on November 15.

Adoption of Spanish as One of the Working Languages of the General Assembly

By unanimous vote on November 15 the Assembly requested the Secretary-General to study all aspects of a proposal for the adoption of Spanish as a working language and to make a report on the subject to the next regular session of the Assembly.

Working of the Secretariat of the United Nations

Under Chapter XV of the Charter

By unanimous vote on November 15 the General Assembly stressed the importance of restricting the staff of the Secretariat so as to secure the highest standards of performance as well as the widest possible geographic distribution of staff.

Simultaneous Interpretation

By unanimous vote on November 15 the Assembly decided that simultaneous interpretation should be adopted as a permanent service to be used alternatively or in conjunction with consecutive interpretation.

United Nations Telecommunications System

On November 20 the Assembly, by unanimous vote, directed the Secretary-General to take steps to obtain the necessary wave lengths and the other rights and privileges necessary for the operation of a United Nations telecommunications system.

Organization of a United Nations Postal Service

On November 20 the General Assembly, by unanimous vote, requested the Secretary-General to make inquiries on this subject and present his recommendations to the next regular session of the Assembly.

Tax Equalization

By unanimous vote on November 20 the General Assembly requested that members who had not yet done so should take the necessary legislative action to exempt their nationals employed in the Secretariat from national income taxation; requested the Secretary-General to submit to the next regular session a staff-contributions plan; requested members to grant relief from double taxation to their nationals employed by the United Nations, pending the granting of tax exemption; and invited the Secretary-General to omit from all future personnel contracts any clauses requiring tax reimbursement to Secretariat employees in the absence of an annual authorization by the General Assembly. The Secretary-General was authorized to make tax reimbursements for one more year.

Provisional Staff Regulations and Staff Rules

On November 20 the Assembly, by unanimous vote, made certain recommendations for changes in these regulations.

United Nations Joint Staff Pension Scheme

By unanimous vote on November 20 the General Assembly decided that the provisional retirement scheme now in effect should be continued for another year and requested that a study be made of various suggestions for changes. The Assembly declared that a permanent pension scheme should be promulgated, if possible, in 1948.

Financial Regulations of the United Nations

On November 20 the Assembly unanimously approved certain changes in the provisional financial regulations and empowered the Secretary-General to accept a portion of the contributions of member states for 1948 in currency other than United States dollars.

Relations With and Coordination of Specialized Agencies and Work Programs of the United Nations and Specialized Agencies

By unanimous vote on November 20 the Assembly called upon member states to take measures to insure on the national level a coordinated policy of their delegations to the United Nations and to the different specialized agencies in order to achieve full cooperation among them; requested the Economic and Social Council to consider urgently the future steps which should be taken to develop effective coordination; called upon the specialized agencies under the terms of their agreements with the United Nations to present reports on their work program and their budgetary estimates to the proper agency; and requested a study of measures for improved budgetary coordination.

Budgetary and Financial Relations With Specialized Agencies

On November 20 the Assembly commended to the attention of certain specialized agencies a series
of recommendations on administrative, budgetary, and financial matters made in a report of the Advisory Committee on Administrative and Budgetary Questions. This resolution was adopted unanimously.

**Supplementary Estimates for the Financial Year 1947**

On November 20 the sum of $876,568 was appropriated to supplement the 1947 budget by a vote of 40 to 0, with 7 abstentions.

**Third Annual Budget and Working Capital Fund of the United Nations**

On November 20, by a vote of 37 to 0, with 10 abstentions, the General Assembly adopted a budget for 1948 totaling $34,825,195. It also decided, by a vote of 41 to 1, with 8 abstentions, that the Working Capital Fund should be maintained until the end of 1948 at a figure of $20,000,000. Provision was made for the use of the Working Capital Fund for a number of purposes, including an amount not to exceed $5,000,000 for possible emergency assistance in 1948 to the Free Territory of Trieste. Repayment to the Fund for advances to Trieste will be made by members in accordance with a special operational scale to be established at the next regular session of the Assembly.

**Utilization of the Services of the Secretariat**

On October 20 the General Assembly, by 45 to 1, with 9 abstentions, drew the attention of the three United Nations Councils and their Commissions, as well as Commissions appointed by the Assembly to the desirability of utilizing to the utmost the services of the Secretariat, and recommended that United Nations organs consider carefully, before creating special committees and subcommittees, whether the task to be performed could not usefully be entrusted to the Secretariat.

**Place of Meeting of the Third Regular Session of the General Assembly**

By 32 votes to 17, with 5 abstentions, the Assembly on November 15 decided that the Third Regular Session of the General Assembly should be held in Europe and requested the Secretary-General, in consultation with a committee of nine members designated by the president of the Assembly, to choose the site for the Third Regular Session.

**Legal Matters**

**United Nations Flag**

On October 20 the Assembly unanimously adopted as the United Nations flag the official United Nations emblem centered on a light blue background.

**United Nations Day**

This resolution, which was adopted unanimously on October 31, declares that October 24, the anniversary of the coming into force of the Charter, is officially to be called United Nations Day and invites members to cooperate in securing its observance.

**Agreement Between the United Nations and the United States Regarding the Headquarters of the United Nations**

In this resolution, which was unanimously adopted on October 31, the General Assembly approves the agreement signed on June 26, 1947, between the United States and the United Nations regarding the headquarters and authorizes the Secretary-General to bring the agreement into force. A separate but related resolution, considered concurrently, recommends that the Secretary-General and the appropriate United States authorities use section 16 of the general convention on privileges and immunities of the United Nations as a guide in considering under section 15 of the headquarters agreement what classes of persons on the staffs of delegations might be included in the lists of individuals entitled to privileges and immunities, which are to be drawn up by agreement between the Secretary-General, the United States, and the member concerned.

**Surrender of War Criminals, Traitors, and Quislings to the States Where Their Crimes Were Committed**

By a vote of 42 to 7, with 6 abstentions, the Assembly on October 31 reaffirmed three resolutions previously passed on this subject, recommended that members continue to carry out their responsibilities for the surrender and trial of war criminals, further recommended that members desiring the surrender of alleged war criminals request such surrender as soon as possible, supported by evidence sufficient to establish a reasonable *prima facie* case, and reasserted that trials of
war criminals and traitors should be governed by the principles of justice, law, and evidence.

**Rules of Procedure of the General Assembly**

On November 17 the Assembly, with six members abstaining, approved a revised set of its rules of procedure, which with one minor exception will enter into force on January 1, 1948. In another resolution the Assembly invited the Secretary-General to prepare, in consultation with the Economic and Social Council, draft rules for the calling of international conferences, for consideration at the next regular session of the General Assembly.

**Registration and Publication of Treaties and International Agreements**

This resolution, unanimously adopted on November 14, takes note of the report of the Secretary-General on this subject and draws the attention of members to the obligations in this regard imposed by article 102 of the Charter.

**Need for Greater Use by the United Nations and Its Organs of the International Court of Justice**

Three resolutions were adopted on this subject, all on November 14. The first, approved by a vote of 46 to 6, with 2 abstentions, recommends that organs of the United Nations and specialized agencies review from time to time important points of law, within the Court's jurisdiction, which have arisen in their work and involve principles which it is desirable to settle, including points of law relating to interpretation of the Charter or the constitutions of the specialized agencies. The resolution further recommends that, if so authorized under the Charter, the organs and agencies concerned refer such questions to the Court for an advisory opinion. The second resolution, adopted unanimously, authorizes the Trusteeship Council to request advisory opinions from the Court. The third, adopted by a vote of 45 to 6, with 3 abstentions, draws the attention of members to the desirability of the greatest number of states accepting the compulsory jurisdiction of the Court and to the advantage of inserting in conventions and treaties arbitration clauses providing for submission of disputes arising out of their interpretation or application to the Court, and recommends, as a general rule, that states submit their legal disputes to the International Court of Justice.

**Progressive Development of International Law and Its Codification: Establishment of an International Law Commission**

On November 21 the Assembly, by a vote of 44 to 0, with 6 abstentions, decided to establish an International Law Commission to promote the progressive development of international law and its codification, the members of the Commission to be elected at the Third (1948) Regular Session of the General Assembly. A statute for the proposed Commission was also approved.

**Preparation by the Secretariat of the Work of the International Law Commission**

In this resolution, unanimously adopted on November 21, the Assembly instructed the Secretary-General to do the necessary preparatory work for the International Law Commission, particularly with respect to the questions referred to it by the Second Session of the General Assembly.

**Teaching of International Law**

By a vote of 48 to 0, with 7 abstentions, the Assembly on November 21 resolved to request the members to take appropriate measures to encourage the teaching of international law and to give the fullest possible cooperation to the Secretary-General in facilitating the preparatory work on the development of international law and its codification.

**Draft Declaration on the Rights and Duties of States Presented by Panama**

The Assembly, on November 21, with 5 negative votes recorded, requested the Secretary-General to undertake the necessary preparatory work on the draft declaration on the rights and duties of states and entrusted further study of the problem to the International Law Commission, which is instructed to prepare a new draft, taking the Panamanian draft as a basis for discussion.

**Plans for the Formulation of the Principles Recognized in the Charter of the Nürnberg Tribunal and in the Judgment of the Tribunal**

By 42 votes to 1, with 8 abstentions, the Assembly on November 21 decided to entrust to the International Law Commission the formulation of these principles of international law and directed the Commission to formulate these principles and to prepare a draft code of offenses against the peace and security of mankind.
Draft Convention on Genocide

On November 21 the Assembly, by a vote of 38 to 0, with 14 abstentions, adopted a resolution requesting the Economic and Social Council to continue its study of the suppression of the crime of genocide and to proceed with the completion of a convention on the subject, taking into account the fact that the International Law Commission has been charged with formulating the legal principles of the Nürnberg Charter. The Council is to submit a convention on this question to the Third Regular Session of the Assembly.

Coordination of the Privileges and Immunities of the United Nations and of the Specialized Agencies

Three resolutions on this subject were adopted by the Assembly on November 21. In the first, the Assembly approves a convention on the privileges and immunities of the specialized agencies and proposes it for acceptance by the specialized agencies and for accession by all members of the United Nations and by any other state member of a specialized agency. The second resolution, adopted by 43 to 0, with 5 abstentions, recommends that when new specialized agencies are established their constitutional instruments should provide that the privileges and immunities of the agency shall be governed by the approved convention with necessary modifications. The resolution also sets up a procedure for working out such modifications. The third resolution, approved by the same majority, recommends that member states, pending their formal accession to the convention, immediately accord as far as possible to the specialized agencies the privileges and immunities provided in the general convention.

Headquarters of the United Nations

On November 20 the General Assembly unanimously adopted a resolution authorizing the Secretary-General to conclude a loan agreement with the United States for an interest-free loan requiring Congressional approval, in an amount not to exceed $65,000,000, for the construction of the headquarters of the United Nations. The loan is to run for not less than 30 years and to be repayable in annual instalments from the ordinary United Nations budget beginning in 1951. The Secretary-General is authorized to proceed with the construction of the headquarters and to make necessary or desirable alterations in the plans, provided they do not increase the total cost of the project beyond $65,000,000. The Assembly has approved the general plan for the headquarters and has appointed an Advisory Committee of 16 members, including the United States, to assist him in his work.

Current United Nations Documents: A Selected Bibliography

Trusteeship Council


Economic and Social Council: Comments on Provisional Questionnaire. T/56, November 17, 1947. 3 pp. mimeo.

Trusteeship Agreement for the Territory of Western (Continued on page 1175)
THE UNITED NATIONS AND SPECIALIZED AGENCIES

Final Plenary Session of Second Regular Session of General Assembly

STATEMENT BY AMBASSADOR WARREN R. AUSTIN

U.S. Representative at the Seat of the United Nations

President Aranha: You have brought great glory to that peace-loving and friendly republic of Brazil, and you have added to the stature of your public character and increased your dignity and your influence in the world by the manner in which you have taken this great ship of the United Nations General Assembly through the tempest and mid great waves of emotion and passion, avoiding those parliamentary rocks of disorder and disobedience. You have done this all with such a gracious manner, with the expression of that kindness which animates you in all your relations, whether with the public or individuals, and makes you one of our most charming and endeared friends.

I would not omit on such a memorable occasion as this to characterize your great service here in bringing through to an expeditious close this remarkable meeting of the General Assembly. Because you have, from that high office which you now occupy, advanced the great cause of peace, taken us far forward towards the abolition of war; and for these great achievements we give you our thanks.

Mr. Secretary-General Lie, Mr. Executive Assistant Cordier and all of you in the Secretariat: Let me say on this occasion that without bias or partisanship, our Secretary-General has, nevertheless, with great energy and constant intelligent diligence and with consideration for all of our needs and feelings organized and performed the vast services necessary to make this General Assembly function.

I am not going to speak long, but in order to keep the record straight I wish to call to attention at this moment some of the work, just for illustration of what it takes to make the General Assembly run. The work of the Documents Division provides an excellent example of the tireless manner in which the Secretariat has worked to make our labors faster, easier, and more effective. I am informed that this division produced for us 53 million impressions of more than 6 thousand documents. This is an increase of 50 percent over the work-load of last year's Assembly, and yet this enormous task was performed without delay by a staff 25 percent smaller than last year.

Our translators command admiration and gratitude. The excellence of their work is recognized beyond the walls of this Assembly. One evening a radio comedian was seeking to describe the hectic activities of one of his associates and he reached over here into the General Assembly to find an apt illustration. He said his friend was as busy as an interpreter for Mr. Vyshinsky.

The service provided here is impressive, but when we realize that the Secretariat was also servicing at the same time the Conference on International Trade at Habana, meetings in Geneva, a session of the Economic Commission for Asia and the Far East in the Philippines, and other activities such as the Assembly's Balkan Commission and the Security Council Committee of Good Offices in Indonesia, we can then appreciate how well the structure of our organization has been built and how ably it is being directed by Secretary-General Lie.

Now let us talk about ourselves for a moment. This Assembly has proved beyond question the

1 Made on Nov. 29, 1947, and released to the press on the same date by the U. S. Mission to the United Nations.
vitality of the United Nations. If doubt existed in
that regard, the debates which have taken place
here should have removed that doubt. Some of the
content of that debate may be deplored, but its
vigor cannot be criticized. Free men and free
institutions can always survive the challenges that
have been made here in this meeting. In accepting
them we increased in our strength, in our clarity of
vision, and in our determination to make the
United Nations attain those great causes of abolition
of war and establishment of conditions of peace.

We delegates here on this floor have performed
well our most important function: that is, the
clarification for the peoples of the world of the
differences that exist between us—the differences that we represent. We did not create
those differences. If we had our way we know
that the great friendship that has grown up among
us personally would prevent such differences being
created at all. They come down to us through
years of history. They are venerable differences.
But this Assembly did reveal them in a clearer
light than before. That old gentleman, democracy,
for example, came under the klieg lights and had
his countenance identified. Understanding of dif-
ferences is a first step towards solution. We under-
stand now better than before. We have taken a
more accurate measure of our task, and our actions
here have shown us we are choosing remedies
adapted to the facts. Time will determine the
wisdom of the decisions we have made. Who can
say that we have solved our problems by our deci-
sions? We can say that we have taken long, firm
strides toward the hilltop of collective security on
which alone can they be solved. Such steps in-
clude, briefly recounted, inauguration of the head-
quarters agreement, the authorization of the Secre-
tary-General to negotiate a loan from the United
States for $65,000,000 for the headquarters, the
problem of agreement for establishing working
relations with the World Health Organization, the
International Bank, the International Monetary
Fund, the International Postal Union, and the
International Telecommunication Union. This
brings our specialized agencies up to the number
of nine; and remember that it is through these
specialized agencies that we engage in the business
of removing the causes of war.

We especially note the United Nations advance
in removing causes of war through its decisions re-
garding Greece and Korea and the Interim Com-
mitee. Progress of significance was made by
establishing the International Law Commission
and assigning to it two functions: one, to codify
those principles of the law that were applied to
individuals as well as countries and governments
governing the Nürnberg and Far Eastern war tri-
bunals; second, the reference to the International
Court of Justice of certain questions. After this
afternoon’s experience, are we not beginning to be-
lieve more unanimously than we did before that
this great International Court of Justice will help
us to solve some of our problems so that we may not
break up that feeling of emotion such as we have
expressed here by a few of us?

As the host country saying farewell to you, our
fellow delegates, we assure you of our apprecia-
tion of the honor of your acceptance of our invitation.
In perfect good humor, we say to you that we will
always remember this Assembly because some of
you have criticized us most severely, collectively
and individually. And we say to you in parting
there is no ill feeling on our part, that in fact we
have to thank you for accomplishing something
that we could not possibly have accomplished alone.
You probably did not realize how much thereby
you consolidated the public opinion of the people
of the United States of America in support of the
principles and policies of the United Nations being
carried out through the United States in the form
of the Marshall Plan and other activities.

I think of the storms through which we have
reached here in the words of that mountain boy—
a line I remembered while one of these events oc-
curred. It was: “Bend your head low and hear
the wind blow”.

Now, to all of you I express the continuing
friendship of the host delegation. We know that
eyery member state is determined to prevent war
and promote peace no matter what has been said
here in this rather turbulent debate. This great
objective binds us so firmly in the United Nations
that our differences regarding methods shall not
separate us. Even such an emotional demonstra-
tion as we have witnessed here within the hour
cannot separate us in the United Nations.

We will see you in Europe, and, in the meantime,
our lady of liberty down here in the harbor will
hold aloft her torch beckoning you to our shores
and giving you the welcome of the people who
will be glad indeed to have you here again.

December 14, 1947
Eniwetok Atoll To Be Closed for Security Reasons
To Conduct Atomic Experiments

LETTER FROM THE U.S. REPRESENTATIVE TO THE PRESIDENT OF THE SECURITY COUNCIL

[December 2, 1947]

Excellency: I have the honor, on instructions from my Government, to notify the Security Council that, effective December 1, 1947, Eniwetok Atoll in the trust territory of the Pacific Islands, is pursuant to the provisions of the Trusteeship Agreement, closed for security reasons, in order that the United States Government, acting through its Atomic Energy Commission, may conduct necessary experiments relating to nuclear fission. The closed area consists of the entire Eniwetok Atoll, located at approximately 162 degrees 15' East Longitude and 11 degrees 30' North Latitude, and the territorial waters adjacent thereto.

Entry into the closed area shall be in accordance with such regulations as the United States Government may prescribe.

The Security Council is further notified that periodic visits provided for in Article 87 (C) of the Charter of the United Nations are suspended in the closed area until further notice, as permitted by Article 13 of the Trusteeship Agreement.

With this exception, the provisions of Article 87 of the Charter will continue to apply. With respect to Article 88 of the Charter the United States Government will, of course, report to the United Nations on the political, economic, social, and educational advancement of the inhabitants of the trust territory. Full information will be included about the welfare of the people of Eniwetok Atoll who will move to new homes, the sites of which will be selected by them. All possible measures will be taken to ensure that the people of the area will be subject to no danger and to a minimum of inconvenience.

There are attached hereto, for the information of the Security Council, copies of two press releases on this subject issued on December 1, 1947, by the Atomic Energy Commission of the United States.

Accept [etc.]

WARREN R. AUSTIN

Mr. J. A. L. Hood

ANNEX I

Copy of Press Release on Statement of the United States Atomic Energy Commission Relative to the Establishment of Pacific Experimental Installations

The United States Atomic Energy Commission today announced that construction has been started on Eniwetok Atoll for the Pacific Ocean installations announced last summer by the Commission.

In its second semi-annual report to Congress, transmitted July 22, 1947, the Commission stated that it was “establishing proving grounds in the


Pacific for routine experiments and tests of atomic weapons.”

Construction is being carried out by the armed forces at the request of the Atomic Energy Commission. Lieutenant General J. E. Hull, Commanding General, United States Army, Pacific, is co-ordinating the work of the Army, Navy, and Air Force in this program.

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Department of State Bulletin
THE purpose of the installations now under construction in the Pacific is to provide a suitable area for the continuing conduct of a wide range of field work to establish by experimentation the indicated results of laboratory studies carried out in facilities of the Atomic Energy Commission. The scientific and technical operations of the proving ground will provide new fundamental data and a broader understanding of the phenomena of nuclear fission which will facilitate advances in peaceful as well as in military applications of atomic energy.

All test operations will be under laboratory control conditions, with full security restrictions as required by the Atomic Energy Act of 1946.

The area of the installations will be closed as a safeguarding measure as provided for in the United Nations Trusteeship Agreement for the former Japanese Mandated Islands, and the Security Council of the United Nations will be duly notified to this effect.

Eniwetok Atoll was selected as the site for the proving grounds after the careful consideration of all available Pacific Islands. Bikini is not suitable as the site since it lacks sufficient land surface for the instrumentation necessary to the scientific observations which must be made. Of other possible sites, Eniwetok has the fewest inhabitants to be cared for, approximately 145, and, what is very important from a radiological standpoint, it is isolated and there are hundreds of miles of open seas in the direction in which winds might carry radioactive particles.

Construction will be supported through the Hawaiian Islands, Johnston Island and Kwajalein Island.

The permanent transfer elsewhere of the Island people now living on Aomon and Bijiri Islands in Eniwetok Atoll will be necessary. They are not now living in their original ancestral homes but in temporary structures provided for them on the two foregoing Islands to which they were moved by United States Forces during the war in the Pacific, after they had scattered throughout the Atoll to avoid being pressed into labor service by the Japanese and for protection against military operations. The sites for the new homes of the local inhabitants will be selected by them. The inhabitants concerned will be reimbursed for lands utilized and will be given every assistance and care in their move to, and re-establishment at their new location. Measures will be taken to insure that none of the inhabitants of the area are subject to danger; also that those few inhabitants who will move will undergo the minimum of inconvenience.

The construction program which is being undertaken by the armed forces for the Commission, will consist of the installation of complete facilities, including housing, utilities, communications, protective structures, instrumentation circuits, and control and observation posts. Some of the military installations used during the war will be rehabilitated.

U.N. Documents—Continued from page 1171

Samoa. T/Agreement/1, June 9, 1947. 11 pp. printed. [15¢.]
— Territory of Tanganyika. T/Agreement/2, June 9, 1947. 7 pp. printed. [15¢.]
— Territory of Ruanda-Urundi. T/Agreement/3, June 9, 1947. 7 pp. printed. [15¢.]
— Territory of the Cameroons Under British Administration. T/Agreement/4, June 9, 1947. 7 pp. printed. [15¢.]
— Territory of the Cameroons Under French Administration. T/Agreement/5, June 9, 1947. 8 pp. printed. [15¢.]
— Territory of Togoland Under British Administration. T/Agreement/6, June 9, 1947. 7 pp. printed. [15¢.]
— Territory of Togoland Under French Administration. T/Agreement/7, June 9, 1947. 8 pp. printed. [15¢.]
The Atomic Energy Issue in the United Nations

BY AMBASSADOR WARREN R. AUSTIN

U.S. Representative at the Seat of the United Nations

One of the most dramatic acts of any government unilaterally made for the purpose of peace was the offer of the United States at the first meeting of the Atomic Energy Commission of the United Nations. Thereby, the United States offered to transfer its vast manufacturing plants to an international agency capable of maintaining a fully effective, enforceable system of control. Within 45 days after that, the Congress of the United States, acting upon the report of a Special Legislative Committee, of which Senator Byrd and I were members, adopted the Atomic Energy Act of 1946. Americans must keep this act in mind because it represents the public opinion of the United States officially expressed after exhaustive nation-wide consideration. For our purposes two provisions are important today:

Section 10 (a)(1) states: “That until Congress declares by joint resolution that effective and enforceable international safeguards against the use of atomic energy for destructive purposes have been established, there shall be no exchange of information with other nations with respect to the use of atomic energy for industrial purposes.”

This section also provided for the subsequent dissemination of scientific and technical information relating to atomic energy.

Secondly, the act declared in section 8 (b) that the provisions of any subsequent international arrangement should supersede any conflicting provision of the law or action of the domestic Commission.

The transfer of a great measure of sovereignty from the United States to an international agency was prepared for by act of Congress. The United States was aware of the probability that the Soviet Union would be represented in such agency.

The Atomic Energy Commission of the United Nations was established by the General Assembly resolution of January 24, 1946. That resolution gave to the Commission certain specific tasks. It called upon the Commission to develop specific proposals:

“(a) for extending between all nations the exchange of basic scientific information for peaceful ends;

“(b) for the control of atomic energy to the extent necessary to insure its use only for peaceful purposes;

“(c) for the elimination from national armaments of atomic weapons and of all other major weapons adaptable to mass destruction;

“(d) for effective safeguards by way of inspection and other means to protect complying states against the hazards of violations and evasions.”

Meetings of the Commission began in June 1946. Its membership included the 11 members of the Security Council plus Canada. Because of changes in Council membership, a total of 16 nations have now studied intensively the problem of atomic energy control. The Commission and its committees have held more than 200 meetings in an earnest endeavor to solve the problems placed upon it. From its work has emerged two reports. The first of these was approved on December 31, 1946, by a majority of 10 members with the Soviet Union and Poland abstaining. The second report was approved on September 11 of this year by a vote of 10 in favor. The Soviet Union opposed and Poland abstained.

The eminent scientists who participated in the work of the Commission reached agreement early in the negotiations on one fundamental fact. It is one that must always be remembered in considering any proposal for atomic energy control. This is the fact that the nuclear fuels made from uranium and thorium by whatever process can be used either to make power or to make bombs. It is therefore the nuclear fuel and the facilities for producing it which we must control if there is to be any security from atomic warfare.

The character of effective control is dictated by...
this identity of production processes and the dangers inherent in nuclear fuel itself.

It is evident that decisions as to production of nuclear fuel cannot safely be left in the hands of nations. To do so would mean a terrific accentuation of national rivalries, each nation being impelled to secure all the raw materials that it could to build production plants as quickly as possible in order to secure advantages over other nations in this field. National rivalries that we have known in the past for other world commodities would be child's play by comparison.

The majority has, therefore, determined that security can be afforded only through the establishment of a truly international agency with broad powers, under terms to be specified in a treaty, to control atomic energy processes throughout the world on behalf of all nations. Realizing the ease with which nuclear fuels in the possession of an aggressor nation could be made into atomic bombs, the majority has determined that this international agency must itself own, operate, and manage all facilities which contain or can produce sizeable quantities of such fuels. It has determined also that this agency must own and possess all uranium and thorium ores from the moment they are taken from the ground and all nuclear fuels as they are produced. A point to be remembered is that 13 nations hold this conviction, and it can no longer be regarded solely as a United States position.

The field of atomic energy is a new one in which there will be constant advances in knowledge. The majority has, therefore, determined that the agency must have means of keeping in the forefront of scientific developments throughout this field. The agency would possess research facilities and would be charged with the duty of conducting researches in the fundamentals of nuclear fuels. It alone would be authorized to carry on research on atomic weapons. The agency must know what it is looking for—what the shape and scope of its problem is at all times.

Certain nondangerous atomic energy activities, particularly those having to do with research on a small scale, can be left in the hands of nations, provided, however, that the international agency is given full information concerning, and full access to, such activities.

By placing in the hands of the proposed agency all dangerous activities—dangerous in the sense that they can lead to the production of atomic weapons—the problem of control is reduced to manageable proportions. By giving the agency constructive responsibility for fostering the beneficial uses of atomic energy, one can create a viable organization which will attract able people—not only scientists and technicians, but administrators as well. Such a system makes possible, and the majority proposals so provide, for the complete elimination of secrecy and full access to information in the field of atomic energy.

Security also demands that the agency be given broad powers of inspection. However, inspection is reduced and made less onerous by the fact that the agency itself would own, operate, and manage all dangerous activities. Inspection is needed primarily to make certain that no nation and no person is carrying on any atomic activities contrary to the treaty which establishes control. Inspection forces would be concerned with searching out any illegal activities and for preventing any diversion of nuclear fuel from authorized operations and would carry on their work in connection with positive, constructive operations.

Good government demands safeguards against undue and arbitrary interference in the affairs of individuals. The majority, therefore, in working out proposals on inspection, has exercised great care in providing such safeguards. It would give the agency adequate powers of inspection but at the same time establish procedures for warrants and appeals which are designed to prevent the agency from abusing its powers or carrying on inspections in any improper manner.

The majority recognizes that effective control also requires that violations of the treaty would be a most serious matter, punishable with swiftness and with certainty.

No nation can be permitted the obstruction of a veto.

We come now to the question of stages—in other words, steps whereby international control would be put into effect. This problem has not yet been worked out in full detail. It is the view of the majority that no useful purpose would be served by working out this question in detail until there is agreement on the system of control which we seek. On the other hand the Soviet proposal insists that the first stage be that of prohibition and that a system of control shall not come until later.

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The majority rejects unequivocally this formulation. Both the majority and the minority agree that the production and use of atomic weapons should be prohibited. The majority insists, however, that prohibition can be effective only if it is a part of an over-all and thoroughgoing system of control through an international agency. On this there can be no compromise whatever.

You have heard, perhaps, the Soviet Union’s charges that the proposed control system of the majority would invade national sovereignty sufficiently to destroy their independence. This is an absurdly exaggerated charge. I say to you that the majority which has put forward these proposals is fully aware that all the nations hold dear their particular national prerogatives. They are equally aware, however, that no effective solution to this problem can be found without some delegation of sovereignty. They know that the need for security against atomic warfare cannot be met without deputizing an international agency of control to make decisions in this matter. The highest aim of national sovereignty is security. Each member state of the United Nations is already committed to exercise its sovereignty collectively in the interest of the common security. If national sovereignty is put up as a barrier against international control, it is a foregone conclusion that no effective control can be devised. Even the Soviet proposals, inadequate as they are, call for some delegation of sovereignty.

The Soviet proposals reflect the attitude generally taken by them toward collective security measures. Throughout these 15 months of negotiations we have had a minority view persistently held by the Soviet Union. What is their view? First is the idea of prior prohibition of the production, possession, and use of atomic weapons. Only after such prohibition would any system of control be established.

Second, the Soviet proposals do provide that there should be an international agency. This is of no great consequence unless that agency has effective powers of control. Such powers are not provided for in the Soviet proposals. They add up to continued national control.

Third, the Soviet proposals provide that the agency should carry on certain research activities by its own personnel and in its own facilities. However, they make no provision for control of national research or development activities involving nuclear fuel in dangerous quantities. Thus, they would legalize the possibility of destructive use. Indeed, the international agency is asked to assist nations in acquiring dangerous quantities of nuclear fuel.

Fourth, the Soviet proposals suggest that the international agency should have the right of access to mining facilities, should investigate periodically the activities of such facilities, and check existing stocks of such materials. However, the Soviet proposals fail to recognize the basic principle that only the international agency can be permitted to use large quantities of source materials. The Soviet proposals leave these materials in national hands, thereby accentuating national rivalries, whereas security requires full control of all raw materials by the agency.

The Soviet proposals do not give the agency effective powers to obtain and maintain accurate information on world supplies of source materials—namely uranium and thorium.

Fifth, production and distribution of nuclear fuel, as in the case of raw materials, would be subject to a system of periodic inspection, verification of accounting, and the checking of existing stocks of atomic materials. In addition, the proposals state: “There shall be established strict international control simultaneously over all facilities engaged in production of atomic materials and atomic energy.” Just what is this “strict international control”? Apparently, inspection would be conducted by the international agency over atomic energy activities carried on by nations, but control over most phases of atomic energy would remain in national hands. Moreover, the Soviet proposals provide that the agency should make recommendations to governments on questions relating to production, stockpiling, and use of atomic materials and atomic energy and should make recommendations on enforcement to the Security Council where the veto would prevail.

From this evidence it is clear that no effective method of enforcement is provided in the Soviet plan. Individual nations would determine for themselves policies for the production of nuclear fuel. This would mean a world of national rivalries in all fields involving atomic energy and exposed to ever increasing danger of sudden atomic warfare.

Now as to inspection. The Soviet Union has long evidenced interest in this question. The ma-
The majority had hoped that the Soviet views on inspection would be fairly close to theirs. But the Soviets have refused to divulge their views on inspection. Their proposals contain only vague and general statements on this point. The kind of inspection contemplated would seem to apply only to facilities which nations themselves reported to the international agency. There does not seem to be any definite requirement for nations to make such reports. The question of clandestine or unreported facilities appears to be virtually ignored in the Soviet proposals. Wholly inadequate provision is made for international surveys or inspections to locate unreported deposits and mines or to detect clandestine plants and activities. Complying states would not be protected against the hazards of violations and evasions, as called for in the terms of reference given us by the General Assembly.

In summary, all the members of the Atomic Energy Commission except the Soviet Union and Poland believe that the Soviet proposals are completely inadequate in their provisions. Obviously they are based on the concept of predominantly national control of what is generally recognized as the most dangerous field of activity in the world today. They provide just enough of an appearance of control to delude the uninformed and give rise to a false sense of security. Such a situation is far more dangerous than the honest, though grim, acceptance of the fact that no international control exists. No responsible statesman or government can honestly participate in such a fraud, not only on the people of the United States but on the peoples of the entire world.

Months of study have led all but two of the members of the Atomic Energy Commission to the basic conclusion that to leave activities involving dangerous quantities of source materials or nuclear fuel in national hands is entirely inconsistent with world security. The need for effective international control transcends the claims of national sovereignty.

In dealing with this grave problem, we should not be concerned with who is right but what is right and necessary. We are confronted with certain scientific and technical facts that must be faced and their demands satisfied. The majority has developed painstakingly a series of practical measures that deal with the facts of the case. The answer it has sought—and found—is one that would be effective. This is not an issue on which people can choose up sides on the basis of ideologies. One must choose on the merits of the proposals and their effectiveness in meeting the challenge of the atomic problem.

Soviet spokesmen claim that the United States and the majority stand in the way of securing agreement on atomic energy control. This is utter nonsense.

Let’s look at the record. It was the United States in concert with the United Kingdom and Canada which first proposed the steps to be taken to secure international control. Very shortly after Hiroshima, the President of the United States, the Prime Ministers of the United Kingdom and Canada joined in an agreed declaration to the world that they were willing and eager for the United Nations to take up this problem and to seek an effective solution. The proposal for a United Nations Atomic Energy Commission was made by the United States and the United Kingdom. At the Moscow conference in December of 1945, the Soviet Union joined them, and the three invited France and China to participate in sponsoring a resolution to establish such a body in the United Nations. The resolution establishing the Atomic Energy Commission was sponsored by these five and was unanimously agreed to on January 24, 1946, at the General Assembly session in London.

Between that time and the first meeting of the Atomic Energy Commission in June, the United States Government undertook an intensive study of the problem of international control. It produced the Acheson-Lilienthal report which recommended a scheme of control on which were based United States proposals presented by Mr. Baruch on the fourteenth of June 1946. The majority plan for atomic energy control is an elaboration and development by all but two members of the Commission of these original proposals.

This is, necessarily, a sketchy statement of the situation which now exists in the United Nations in regard to atomic energy. But it reveals some highly significant things.

First, it shows that great progress has been made by the majority. The successful collective effort embodied in the two reports of the Atomic Energy Commission is an important achievement.

Secondly, it shows persistent effort by the minority to legalize national control of source materials, of nuclear fuel, and of the plants producing them.
THE UNITED NATIONS AND SPECIALIZED AGENCIES

This, we have seen, would endanger rather than protect the world.

Thirdly, and perhaps most importantly, it reveals the nature of the problems encountered by the vast majority of the members of the United Nations in their relationships with the Soviet Union.

The suspicion, the distrust, and the fear which dominates the Soviet approach to the problem of atomic energy are present in nearly all of the other issues that have arisen in the short life of the United Nations. This is true whether the issue is Greece, Korea, the veto, the Interim Committee, the jurisdiction of the International Court, or any one of a score of such diverse problems. The implications of this general situation I intend to discuss at greater length in a speech next week in Chicago. Tonight I will only say that disappointment awaits him who thinks the causes of Soviet obstruction can be easily or quickly removed. Years of determined and patient effort may be required.

Debates alone will not do it, nor will protests of our good faith and peaceful purpose do it. Deeds alone can have the probative force to convince the Russian people that our strength and the strength of the other members of the United Nations is not a threat to her national existence and welfare. We believe that collective action is the best guaranty of security and progress. As we translate that belief into proof, the foundations on which present Soviet policy is based should disappear. Then we could look forward to a United Nations that will function with all the vigor, with all the promise, with all the hope that animate the Charter of your United Nations.

Headquarters Agreement Between the United Nations and the United States

The agreement between the United Nations and the United States of America regarding the headquarters of the United Nations, signed at Lake Success on June 26, 1947, was brought into effect on November 21, 1947, by an exchange of notes on that date between Warren R. Austin, Permanent Representative of the United States at the Seat of the United Nations, and Trygve Lie, Secretary-General of the United Nations. Texts of the notes follow:

Mr. Austin to Mr. Lie

November 21, 1947

EXCELLENCY: I have the honor to refer to Section 28 of the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, which provides for bringing that Agreement into effect by an exchange of notes. Reference is made also to the provisions of United States Public Law 357, 80th Congress, entitled "Joint Resolution Authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement, and for other purposes", which was approved by the President of the United States of America on August 4, 1947.

Pursuant to instructions from my Government, I have the honor to inform you that the Government of the United States of America is prepared to apply the above-mentioned Headquarters Agreement subject to the provisions of Public Law 357.

I have been instructed by my Government to propose that the present note and your note of this date be considered as bringing the Headquarters Agreement into effect on the date hereof. Accept [etc.]

WARREN R. AUSTIN

His Excellency TRYGVE LIE,
Secretary-General
of the United Nations,
Lake Success, New York.

Mr. Lie to Mr. Austin

21 November 1947

SIR, I have the honour to refer to the Resolution adopted by the General Assembly on 31 October 1947, at its one hundred and first meeting, relative to the Agreement between the United States of America and the United Nations regarding the

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Headquarters of the United Nations, signed at Lake Success on 26 June 1947.

By this Resolution the General Assembly, after having studied the report of its Sixth Committee and endorsed the opinions expressed therein, has approved the above-mentioned Agreement, which states and defines the mutual obligations of the United Nations and the United States in connection with the establishment of the permanent Headquarters of the United Nations in the United States. The Resolution, consequently, has authorized me to bring that Agreement into force in the manner provided in Section 28 of the Agreement.

Pursuant to the Resolution and in conformity with Section 28 of the Agreement, I have the honour to propose that the present note and your note of this day be considered as bringing the Headquarters Agreement into effect under date hereof.

I have [etc.]

TRYGVE LIE
Secretary-General

The Honorable WARREN R. AUSTIN,
Permanent Representative of the United States of America at the Seat of the United Nations, New York.

First Session of the Council of the Food and Agriculture Organization of the United Nations

The newly created Council of the Food and Agriculture Organization of the United Nations held its first session at Washington November 4–14, 1947. One of the principal tasks of the Council was consideration of the immediate, intermediate, and long-term world food and agricultural problems as presented in statements by the secretariat and members of the Council, particularly as to deterioration of the situation since the Geneva conference of FAO in September 1947.

As to the short-term problems, the Council arranged for continuation of international allocations of scarce foods and nitrogen fertilizer by transfer of the functions and necessary organization and personnel of the International Emergency Food Council into the Council of FAO. The Central Committee of IERC was enlarged from 9 to 11 members and will be known as the International Emergency Food Committee of the Council. Members of the Committee are Australia, Brazil, Canada, China, Egypt, France, India, the Netherlands, Norway, the United Kingdom, and the United States. A committee on integration (the

3 The Council of the Food and Agriculture Organization of the United Nations, established in September 1947 at the Geneva session of the Food and Agriculture Organization to replace the Executive Committee of FAO, is made up of 18 of the Organization's 54 member governments: Australia, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, Denmark, Egypt, France, India, Italy, Mexico, the Netherlands, the Republic of the Philippines,

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Netherlands, the United Kingdom, and the United States) was created to assist the Director General of FAO and the Secretary General of IERC in coordinating the activities now merged. It was suggested for consideration that IERC members be elected at six-month intervals by countries having membership on commodity committees.

The Council also took action with respect to the report of the Hague Committee on Animal Feeds and the question of infestation of food in storage; and referred to member governments for their consideration certain urgent problems concerned with transportation of foodstuffs. The urgent problem of shortage of foreign exchange with respect to the movement of foodstuffs was called to the attention of the International Monetary Fund.

As to intermediate problems, the Council requested the IERC fertilizer committee to report, by January 1, 1948, if possible, on measures to increase the output and export availability of nitrogen fertilizers. Member governments were urged to increase the output and export availability of farm machinery and spare parts and to establish

the Union of South Africa, the United Kingdom, and the United States. The Council meets at intervals between annual sessions of the full conference, to keep the world food and agriculture situation under review and to recommend national and international action in cooperation with appropriate U.N. agencies concerned in the formulation of immediate and long-range plans.
national plans for increasing the production of agricultural commodities. Messages were sent to the International Wheat Council and to the Habana Conference on Trade and Employment, stressing the importance of their work and FAO's interest in it. Further intergovernmental study of fats and oils commodity problems was recommended, and the Secretariat was requested to study further the problems of production and distribution of dried milk and the problems of international trade in fresh fruits and vegetables.

As to long-term problems, the Council created a policy committee on production and distribution. Members are Australia, Cuba, Egypt, France, India, the Netherlands, the United Kingdom, and the United States. The committee is to study, and to prepare for Council consideration, recommendations looking toward long-term measures to organize and increase production and distribution of food and other agricultural, fisheries, and forest products, including adjustment of supplies and requirements where necessary and practicable. The Council also emphasized the importance, stressed by the FAO Preparatory Commission on World Food Proposals, of industrial and general economic development. The closest relationship between FAO and regional economic commissions of the Economic and Social Council was urged. The Council indicated its readiness to consult with the International Bank on the agricultural aspects of development proposals submitted to it.

The Council noted with satisfaction the steps taken by the Director General to meet specific requests for technical assistance from member nations and to implement the recommendations of the Conference regarding development of regional activities. The Council approved the convening in southeast Asia of FAO conferences on nutrition and fisheries, February 9 to 15; on rice, February 16 to 28; and on an FAO Asiatic regional office, March 1 to 3, 1948. The Council requested the Director General to pay special attention to the preparation of a detailed report to the Economic and Social Council on FAO activities and also to report on the question of permanent representation of FAO at the Seat of the United Nations.

The Council discussed the form of annual periodic reports required from member governments and agreed that questionnaires should be drawn up for a minimum report by all governments and for a comprehensive report by governments in position to provide such a report.

A committee was appointed to study the question of a permanent headquarters site and make recommendations to the Council for eventual action by the Conference. Members are Chile, China (chairman), Czechoslovakia, Denmark, the Republic of the Philippines, the United Kingdom, the Union of South Africa, and the United States.

A committee was appointed to draw up a panel of at least three nominations for a director general to succeed Sir John Boyd Orr, the panel to be submitted to a special diplomatic meeting of the FAO conference to be held as early as possible in 1948. Members of the committee are Australia, Brazil, Canada, Cuba, Egypt, France (chairman), India, and the United States.

The Council approved appointment of standing advisory committees of experts to advise the Director General on technical activities in the fields of agriculture; fisheries; forestry and forest products; nutrition; rural welfare; and economics, statistics, and marketing, and decided that a Rural Welfare Committee should be established, and named the chairman.

A committee on financial control was appointed, headed by G. S. H. Barton, representative of Canada on the Council, with other members as follows: Allan Christelow, United Kingdom Treasury; W. A. Jump, United States Department of Agriculture; Christian Valensi, Financial Counselor, French Embassy; and Nivarti Sundaresan, Financial Counselor, Indian Embassy.

The Council approved rules of procedure and elected officers. The United States Representative, N. E. Dodd, Under Secretary of Agriculture, was chosen as first vice chairman and M. Tanguy-Prigent, former Minister of Agriculture of France, as second vice chairman of the Council, the independent chairman of which is Viscount Bruce, of Melbourne. The Council also established a committee on relations with other international organizations, of which the members are Cuba, Italy, Mexico, Netherlands, United Kingdom (chairman). This committee met during the Council session and recommended rules governing relationships with other international organizations which the Council approved.
THE COUNCIL OF FOREIGN MINISTERS

London Meeting of the Council of Foreign Ministers

STATEMENTS BY SECRETARY MARSHALL

Questions Addressed to the Soviet Union Regarding German Assets in Austria

[Released to the press December 5]

For nearly two years we have been struggling to achieve agreement on a treaty for Austria.
While there have been many problems, the greatest obstacle to progress has been our failure to agree on what assets in Austria are German and thus subject to transfer under the Potsdam agreement. We have tried to meet this problem by agreeing on the meaning of the words “German assets”. The definition has been argued and discussed in numerous and prolonged conferences, without agreement.

Then we appointed a commission to meet in Vienna and consider this and other treaty problems. For five months the commission collected, studied, and discussed the concrete facts on German assets in Austria. As a result, three Powers arrived at substantial agreement as to what constitutes legitimate German assets in Austria—and found themselves in substantial disagreement with what the Soviet Union has chosen to regard as German assets transferable to it.

In the closing days of the Vienna conference, the French introduced an outline of a proposal for a concrete settlement of the German-assets problem. It was not discussed in Vienna but was referred to our deputies here. It has been discussed and considered by them at their meetings. Now they report to us no agreement either in principle or in fact. We must find a solution to this interminable conflict between Soviet claims to German assets in Austria and our declared objective to establish a free and independent Austria. So I ask, “What is to be done now?”

I have several questions to ask in order to clarify the problem and give us some prospect of completing the treaty:

Does the Soviet Delegation now have any proposal to resolve the differences, other than that the three western Powers reverse their firm convictions and agree to the Soviet position on German assets?
Does the Soviet Union repudiate the Moscow declaration regarding the reestablishment of a free and independent Austria?
Exactly what is it that the Soviet Union wants from Austria? What properties, interests, or values does it regard as bona fide German assets in Austria?
Does the Soviet Union agree that German assets shall remain wholly subject to Austrian law, and, if not, what special exceptions or privileges are asked at the expense of Austrian sovereignty?

So far as I know the Soviet Union has never stated its claim in specific terms. Both the Austrian people and the Allies are entitled to know what that claim is. I ask for it now.

Extraterritorial Status of German Assets in Austria Not Defined

[Released to the press December 5]

Regarding the statement of the Soviet Union’s beneficent purposes and actions in Austria and the American program of enslavement, I will only repeat my remark of the other day that I do not think Mr. Molotov could possibly convince me that he really believed his allegations and implications.

The distortion of United States motives just made we have all heard before. I stated recently that there was no foundation whatsoever for such charges. I now repeat that statement, but beyond that categorical denial I will not take the time of my colleagues by engaging in futile and, I feel, unseemly name calling and propaganda attacks, so wholly out of place when we are, I assume, endeavoring to proceed on a basis of calm and reasonable discussion of these questions of vast importance to all the world and not merely to the four countries we have the honor of representing. We all are aware of the real purpose of attacks of this

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1 Made on Dec. 4, 1947.
nature. Indeed, it has been announced. It is to disrupt the great cooperative movement that is being launched for the economic recovery of Europe.

The Soviet Union has stated that the Soviet position is based on Potsdam. It is not the intention of the Government of the United States to repudiate any of its international commitments, including the Potsdam agreement. But it is likewise not the intention of the Government of the United States to allow any agreement to be distorted to accomplish purposes which most certainly were not the intentions of original signatories.

There is no mysterious reason why Four-Power agreement has not so far been achieved on German assets in Austria. There is the matter of amount.

The Soviet Delegation has consistently declined to specify its demands, but if we take the Soviet so-called “definition” of German assets at its face value, as set forth in the report which the Austrian Treaty Commission has presented to us, the Soviet Union appears to be claiming an amount and number of properties which, in the opinion of the United States Delegation, is far more than was awarded at Potsdam.

In substance, the Soviet Union appears to claim all assets in eastern Austria to which Germans held any kind of title, regardless of how that title was acquired. Yet it is abundantly clear that Hitler's Germany, as a result of the annexation of Austria, acquired extensive property interests in Austria by the abuse of power, by duress, by Aryanization, by involuntary transfer, and by the discriminatory interpretation and application of laws. It forced the transfer into German hands of a substantial part of the economic wealth of the country. Any claims for German assets based on German ownership acquired by any of these means are clearly outside the scope and intent of the Berlin protocol.

There is the equally important question of the extraterritorial status of those assets:

I would emphasize that nowhere under the Potsdam agreement is there given any power the right to demand or receive extraterritorial rights with respect to any properties which may be transferred to it as German assets.
as soon as there is an “all-Germany” to be governed and “all-German” work to be done.

We favor the establishment of a provisional government at the earliest possible moment, but we regard it as dangerous to the security of the Allied nations and to the peace of the world, as well as cruelly misleading to the Germans themselves, to pretend that the mere setting up of a central German government would result in healing the division of Germany.

The United States wants a real government and not a facade. This government should reflect the free will of the German people and should be permitted to administer Germany without outside interference except for such necessary security measures as the Allies may jointly decide to impose.

All of us at Moscow made proposals for the kind of government we wish to see established in Germany. I will not pretend that there has been unanimity of view on this subject although certain progress was made at Moscow. Before the Council decides on the kind of government to be set up in Germany, we must agree on common principles in Germany necessary to enable a government to function effectively. In my opinion these include: the basic freedom for the individual; the abolition of zonal boundaries, except as delimitation of occupation areas, with no hindrance to the free flow of persons, ideas, and goods throughout the whole of Germany; and a clear determination of the economic burdens the German people are to bear. Moreover, we must determine the relationship of Allied control to the German government and the conditions which we all deem necessary to assure security for Europe against any future German aggression. Some of these matters are political, some are economic, but all are indivisibly part of the German problem which confronts us for settlement as a whole. At the Moscow conference and elsewhere the attitude of the United States on these matters of fundamental importance has been clearly stated.

Are the members of this Council prepared to create the conditions under which German political and economic unity can become a reality? Mr. Molotov has spoken almost daily on the need for a German government. I hope he will now be precise regarding the creation of conditions which would make a central German government a living reality and not a pretense.

The U.S. Delegation is prepared to accept as a basis for discussion on economic principles the British document 47/L/7 with certain amendments which will be put forth at the appropriate time. Since we are discussing point three on our agenda, Economic Principles, those particular amendments will refer only to the section of the British paper dealing with economic principles.

The situation in Germany is a real one. It urgently requires now, without delay, Four-Power decisions on several specific fundamental matters of substance. I ask for action on these points in order to end the present division of Germany.

Reiteration of Position on German Economic Unity

Mr. Chairman, the United States Government is not aware of any differences in principle between the agencies of its government regarding the issue under discussion. The text of the report is necessary to bring understanding and also the particular purpose to which it was addressed. Generalities will get us nowhere but they do consume time.

I will make only a few observations regarding Mr. Molotov’s statements.

Regarding the failure of the Control Council in Berlin to achieve economic unity: In the Control Council, the United States has repeatedly tried to obtain Soviet agreement to the common utilization of German indigenous resources; to an agreed import-export program; to a satisfactory understanding between the Occupying Powers as to their respective financial responsibilities. In this effort the United States has encountered the steady resistance of the Soviet Representatives.

Regarding Mr. Molotov’s reference to the statement I submitted today as to omissions, I would like to read a statement I made on March 21 last at Moscow. I said:

“The time has now come to authorize the Germans to establish a provisional government to deal with matters of a nation-wide concern which the states cannot adequately handle. No German government can function unless the basic essentials on

(Continued on page 1193)

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Fundamentals of European Recovery

BY WILLARD L. THORP
Assistant Secretary for Economic Affairs

There are many approaches to the problem of European recovery. Within each European country, the problem of recovery is the problem of increasing production and establishing financial stability. In its overseas aspect, the problem of recovery stems from two sets of circumstances—first, that European recovery depends on the obtaining of certain essential commodities from abroad; and second, that these countries do not have the necessary means of payment. From this viewpoint, one might say that European recovery will be achieved when the European countries can meet their foreign obligations without requiring abnormal assistance.

The prewar European economy purchased substantial amounts of raw materials abroad and paid for them with manufactured products which were exported and with so-called invisible income, chiefly in the form of interest on foreign investments, the sale of shipping and other services, expenditures by visiting tourists, and emigrant remittances. This prewar balance has been completely upset by the necessity for increased and extraordinary imports, particularly coal and wheat, and the reduction of means of payment in both categories, commodity exports and invisible income.

For the past two years, this deficit in the balance of payments has been met by the use of such foreign assets and gold stocks as had survived the war and by grants and loans from non-European countries. While the largest source of such assistance has been the United States, it cannot be forgotten that many other countries have also contributed.

Under these circumstances Europe was able to make extraordinary strides towards recovery.

The essential utilities have been rehabilitated, and many industries in many countries were able to reach prewar levels. However, the basic maladjustment in the foreign-trade balance is still far from correction. The extraordinary imports of coal and wheat are still required. In fact, the unfavorable weather factors have increased the necessity for food from abroad. On the export side, an abnormal amount of their effort has had to go into rehabilitation and reconstruction, and exports of manufactured goods still lag. The invisible items show some improvement as to shipping and a slight resumption of tourism, but the lost return on foreign investment is gone forever and there have been few emigrants in recent years. So, in spite of the accomplishment and the effort, the recovery has not yet been achieved.

The essential overseas problem is therefore that created by this gap between exports and imports, taking into account all elements which enter into the balance of payments. This trade deficit affects all aspects of their operation—not merely production but the stability of their currency and their trade with each other. Each country has had to take drastic steps to conserve its foreign purchasing power, a process which has tended to lead directly to the carrying on of international trade on the basis of barter, a process which holds trade virtually to a minimum.

Compared with their total economic activity, the gap in the balance of payments is small. Their own estimate, based upon an import program developed by experts at the Paris meeting of the Committee of European Economic Cooperation, is that the deficit for 1948, with all the world outside the 16 nations, would be 8 billion dollars, assuming 1948 to be the first year of the program. Studies of these estimates have indicated that the quantities of goods sought are overoptimistic but that a reduction in the estimated flow of supplies is offset in large part by the increase in prices since the

1 Address delivered before the Investment Bankers Association of America at Hollywood, Fla., on Dec. 4, 1947, and released to the press on the same date.

Department of State Bulletin
estimates were made. Thus, some figure less than 8 billion dollars is the total which must be met from all sources if they are to carry out their recovery program during its first year. This plan calls for major increases in their own production and for definite steps in the direction of currency stabilization and less restricted trade.

There are no reliable figures on the levels of national incomes of these 16 countries, but let us assume that it is somewhere near 100 billion dollars, or about one half of the United States. The less than 8 billion dollars required is clearly only a small part of this total figure, but it is a critical element. The great bulk of the economic effort must and will be provided by the European countries themselves. The receipts from overseas will be only a small percentage of their total output of goods and services. The gap should decrease each year as the recovery process advances. We, and other countries which may also contribute to meeting the gap, will therefore not be supporting Europe. None of the 16 countries will get aid in sufficient quantities to encourage it to adopt the notion that it can relax its own efforts because a rich uncle has been discovered.

The share of the United States in the deficit for the first fiscal year of the operation of the plan is estimated to be in the neighborhood of 6 billion dollars, or about 3 percent of our national income. In each succeeding year the amount should be reduced as Europe gradually gets on her feet and increases her own ability to make payments abroad. It is an extraordinary fact that this sum, so small in relation to European national income and even smaller with reference to our own, can determine the economic fate of Europe.

The European Recovery Plan must be essentially a European effort, made possible of success by the assistance from the United States and other countries. The situation is like that of a business concern which has the fundamental requirements for sound and efficient operation but which for some reason must turn to its banker for assistance. Without the assistance the enterprise might completely collapse. With it, it has a good chance of working out of its difficulties. The basic factors of production must be supplied by the enterprise; it must provide the intelligence and direction. But it must be helped over a tough spot. For the moment, therefore, the banker is the central figure in determining history.

The wise banker keeps his eye on his investment, but he seldom tries to step in and run the business. What we want is European recovery. We can help by supporting their own convictions—that production must be increased, currency must be stabilized, and trade restrictions must be reduced. We can help by meeting the balance-of-payments deficit. In the last analysis, however, recovery is their job. We must not remove the responsibility from where it belongs—on the 16 countries themselves.

**THE CONGRESS**

Proposed Principles and Organization for Any Program of Foreign Aid. Preliminary Report Eight of the House Select Committee on Foreign Aid, pursuant to H. Res. 296, a resolution creating a special committee on foreign aid. H. Rept. 1141, 80th Cong., 1st sess. iii, 12 pp.

Foreign Aid and Exhaustion of Natural Resources in Relation to a Stock Piling Program. Preliminary Report Ten of the House Select Committee on Foreign Aid, pursuant to H. Res. 296, a resolution creating a special committee on foreign aid. H. Rept. 1142, 80th Cong., 1st sess. iii, 11 pp.

Comparative Analysis of Suggested Plans of Foreign Aid. Preliminary Report Eleven of the House Select Committee on Foreign Aid, pursuant to H. Res. 296, a resolution creating a special committee on foreign aid. H. Rept. 1143, 80th Cong., 1st sess. iii, 33 pp.

Break-Down of European Requirements by Major Categories. Preliminary Report Nine of the House Select Committee on Foreign Aid, pursuant to H. Res. 296, a resolution creating a special committee on foreign aid. H. Rept. 1144, 80th Cong., 1st sess. iii, 13 pp.

The Italian Crisis and Interim Aid. Preliminary Report One, Subcommittee on Italy, Greece, and Trieste . . ., House Select Committee on Foreign Aid, pursuant to H. Res. 296, a resolution creating a special committee on foreign aid. H. Rept. 1145, 80th Cong., 1st sess. iii, 14 pp.

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**National Commission News**

The December 1947 issue of the UNESCO National Commission News and each subsequent issue will be available through the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for 10 cents a copy; yearly subscription $1.

*December 14, 1947*
THE RECORD OF THE WEEK

Inter-American Treaty of Reciprocal Assistance Transmitted to the Senate

THE PRESIDENT'S MESSAGE OF TRANSMITTAL 1

THE WHITE HOUSE, December 1, 1947.
To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the inter-American treaty of reciprocal assistance, formulated at the Inter-American Conference for the Maintenance of Continental Peace and Security and signed at Rio de Janeiro, Brazil, in the English, French, Portuguese, and Spanish languages on September 2, 1947, by the plenipotentiaries of the United States of America and by the plenipotentiaries of other American republics.

I transmit also, for the information of the Senate, the report which the Acting Secretary of State has addressed to me in regard to the treaty above-mentioned.

The principles, purposes and provisions of the treaty have my complete and wholehearted approval and I am happy to recommend the treaty to the favorable consideration of the Senate.

HARRY S. TRUMAN.

(Enclosures: (1) Report by the Acting Secretary of State; (2) Inter-American Treaty of Reciprocal Assistance, Rio de Janeiro, September 2, 1947—certified copy; (3) Final Act, Inter-American Conference for the Maintenance of Peace and Security, Rio de Janeiro, September 2, 1947—certified copy.) *

REPORT OF THE ACTING SECRETARY OF STATE

DEPARTMENT OF STATE,  
Washington, December 1, 1947.

The President,  
The White House:

The undersigned, the Acting Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approved thereof, a certified copy of the inter-American treaty of reciprocal assistance, formulated at the Inter-American Conference for the Maintenance of Continental Peace and Security and signed at Rio de Janeiro in the English, French, Portuguese, and Spanish languages on September 2, 1947, by the plenipotentiaries of the United States of America and by the plenipotentiaries of other American republics.

There is included in the same volume with the text of the treaty above-mentioned the text of the final act of the Conference, which contains information regarding the organization of the Conference and the texts of the various resolutions approved by the Conference. The texts of the treaty and final act have been certified by the Secretary-General of the Conference. The final act does not require ratification.

The Inter-American Conference for the Maintenance of Continental Peace and Security met in Petropolis, State of Rio de Janeiro, Brazil, from August 15 to September 2, 1947. The United States Delegation to the Conference, under the chairmanship of the Secretary of State, included the following delegates: The Honorable William D. Pawley, United States Ambassador to Brazil; the Honorable Arthur H. Vandenberg, President of the United States Senate and Chairman of the Committee on Foreign Relations; the Honorable Tom Connally, United States Senator and a Member of the Committee on Foreign Relations; the Honorable Sol Bloom, Member of the House of Representatives and of the Committee on Foreign Affairs; and the Honorable Warren R. Austin, Ambassador, United States Representative to the United Nations.

1 S. Exec. II, 80th Cong., 1st sess.
2 For texts of treaty and final acts, see Bulletin of Sept. 21, 1947, p. 565.

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The Conference was convened for the special purpose of formulating the treaty to which reference had been made in the Act of Chapultepec, embodied in the final act of the Inter-American Conference on Problems of War and Peace which met in Mexico City from February 21 to March 8, 1945. In part I of the Act of Chapultepec it was declared in part:

That every attack of a state against the integrity or the inviolability of the territory, or against the sovereignty or political independence of an American State, shall, conformably to Part III hereof, be considered as an act of aggression against the other States which sign this Act... .

That in case acts of aggression occur or there are reasons to believe that an aggression is being prepared by any other State against the integrity or inviolability of the territory, or against the sovereignty or political independence of an American State, the States signatory to this Act will consult among themselves in order to agree upon the measures it may be advisable to take.

In part II of the Act of Chapultepec it was recommended that—

the Governments of the American Republics consider the conclusion, in accordance with their constitutional processes, of a treaty establishing procedures whereby such threats or acts may be met by the use, by all or some of the signatories of the said treaty, of any one or more—

of certain measures. In anticipation of the establishment of the United Nations, it was stipulated in part III of the Act of Chapultepec that the pertinent activities and procedures—

shall be consistent with the purposes and principles of the general international organization, when established.

The inter-American treaty of reciprocal assistance was drawn up in accordance with the recommendation in the Act of Chapultepec and within the framework of the United Nations Charter. As stated in the preamble, the treaty deals with—

those matters relating to the maintenance of international peace and security which are appropriate for regional action.

This regional arrangement is thus of a type contemplated in chapter VIII of the United Nations Charter. It is entirely consistent with the purposes and principles of the United Nations and will facilitate and supplement the effective functioning of the United Nations. The authority of the Security Council with regard to the application of enforcement measures, and its general powers with respect to maintenance of international peace and security are fully recognized in the treaty, and Article 10 contains the stipulation that none of the provisions of the treaty—

shall be construed as impairing the rights and obligations of the High Contracting Parties under the Charter of the United Nations.

The principal features of the treaty include (a) references to certain basic considerations and precedents (preamble); (b) a reaffirmation of basic principles with respect to the pacific settlement of disputes (Articles 1 and 2); (c) the stipulation of specific obligations in the event of an armed attack against an American state, with a definition of the areas within which an armed attack would invoke the maximum obligations of the treaty (Articles 3 and 4); (d) provisions for consultation and collective measures in the event of certain other dangers to continental peace (Article 6); (e) provisions specifying the types of measures which may be taken in either event and specifying certain acts of aggression (Articles 7, 8, and 9); (f) provisions assuring consistency with and fulfillment of the obligations under the United Nations Charter (Article 3, paragraphs 3 and 4, and Articles 5, 10, and 24); and (g) procedural matters affecting consultation regarding, and execution of, measures, voting and the binding effect of decisions (Articles 11 to 21, inclusive).

The basic principle underlying the Act of Chapultepec is restated and extended in the treaty and concomitant obligations set forth in article 3 as follows:

1. The High Contracting Parties agree that an armed attack by any State against an American State shall be considered as an attack against all the American States and, consequently, each one of the said Contracting Parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations.

2. On the request of the State or States directly attacked and until the decision of the Organ of Consultation of the Inter-American System, each one of the Contracting Parties may determine the measures which it may individually take in fulfillment of the obligation contained in the preceding paragraph and in accordance with the principle of continental solidarity. The Organ of Consultation shall meet without delay for the purpose of examining those measures and agreeing upon the measures of a collective character that should be taken.

Thus, apart from such collective measures as may be agreed upon in consultation, each of the parties...

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obligates itself to take affirmative action to assist in meeting an armed attack. This important provision converts the right of individual and collective self-defense, as recognized in the United Nations Charter, into an obligation under this treaty. The provision for immediate assistance is applicable to all cases of armed attack taking place within the territory of an American State or anywhere within the region delimited in Article 4. This region embraces the American Continents and Greenland, adjacent waters, and polar regions immediately to the north and south of the American continents.

Regardless of where the armed attack may take place, the parties are obligated to consult immediately with one another to agree upon appropriate collective measures.

The Conference decided that no attempt should be made to define aggression in general terms, but two recognized types of aggression are specified in Article 9.

In the event of an aggression which is not an armed attack or in the event of the occurrence of other possible dangers to the peace, the parties similarly obligate themselves in Article 6 to consult to determine the measures to be taken to aid the victim of the aggression or to restore peace and security.

The recommendation in the Act of Chapultepec with respect to the measures which might be taken to meet threats to inter-American peace and security or acts of aggression against any American State is restated in Article 8 of the treaty as follows:

For the purposes of this Treaty, the measures on which the Organ of Consultation may agree will comprise one or more of the following: recall of chiefs of diplomatic missions; breaking of diplomatic relations; breaking of consular relations; partial or complete interruption of economic relations or of railroad, sea, air, postal, telegraphic, telephonic, and radio-telephonic or radiotelegraphic communications; and use of armed force.

Article 7 provides that in the event of a conflict between two or more American States, the initial collective action to be taken by the parties shall be to call upon the contending States to suspend hostilities and restore the situation to the status quo ante bellum.

It is provided in Article 20 that decisions which require the application of the measures specified in Article 8 shall be binding upon all the signatory States which have ratified the treaty, with the sole exception that no State shall be required to use armed force without its consent. In Article 17 it is provided that the Organ of Consultation shall take its decisions by a vote of two-thirds of the signatory States which have ratified the treaty. This arrangement, whereby the measures specified in Article 8, with the one exception, become obligatory for all parties upon a two-thirds vote of the States parties to the treaty, represents a significant advance in international relations.

Article 22 provides that the treaty shall come into effect between the States which ratify it as soon as the ratifications of two-thirds of the signatory States have been deposited. Article 23 contains additional protocolary provisions relating to signature and ratification.

Article 24 determines the procedure for the registration of the treaty, when it has entered into force, with the Secretariat of the United Nations. Such registration is to be effected through the Pan American Union.

Article 25 provides that the treaty shall remain in force indefinitely but that any State party thereto may denounce it by a notification in writing to the Pan American Union, such denunciation to become effective for that State two years from the date of the receipt of such notification by the Pan American Union.

Article 26, the final article, provides that the principles and fundamental provisions of the treaty shall be incorporated in the Organic Pact of the Inter-American System. This has reference to an instrument in the nature of a basic constitution or charter for the reorganization of the System which it is contemplated will be considered and adopted at the forthcoming Ninth International Conference of American States to be held at Bogotá, Colombia, early in 1948.

This treaty represents a significant advance in international cooperation for the maintenance of peace and security. Its provisions commit the other parties promptly to assist the United States in the event of an armed attack by any country on our territory or anywhere in the region defined by the treaty, and the United States similarly pledges its assistance to the other parties in case any of them is subjected to such an attack. In determining collective measures, the parties guarantee in
advance to observe important decisions reached by two-thirds of them, reserving for their individual consent among the listed measures only the vital decision as to their participation in the use of armed force. The obligatory character of decisions by a two-thirds majority assures that the general collective will of the community can be made effective, and avoids the possibility that the operation of the treaty might be paralyzed through the non-concurrence of a small minority.

The vital spirit of Pan American solidarity is implicit in the provisions of the treaty and there is every reason to believe that the treaty affords an adequate guaranty of the peace and security of this Hemisphere, thereby assuring so far as possible a necessary condition to the continued advancement of the economic, political, and social ideals of the peoples of the American States.

Respectfully submitted,

ROBERT A. LOVETT

(Enclosures: (1) Inter-American Treaty of Reciprocal Assistance, Rio de Janeiro, September 2, 1947—certified copy; (2) Final Act, Inter-American Conference for the Maintenance of Peace and Security, Rio de Janeiro, September 2, 1947—certified copy.)

Brazil Requires Registration of Foreign Capital

The attention of American investors is called to Instruction no. 31 of the Bank of Brazil, dated October 7, 1947, requiring registration by December 31, 1947, of all foreign capital that may have arrived in Brazil at any time. Registration must be made with the Banking Fiscalization Department. Foreign capital entering the country after October 7, 1947, must be registered within 30 days from the date of its entrance.

Foreign capital already invested in Brazil, or which may be invested in the future, will lose the right of exit as well as transfer of profits abroad if it is not registered with the Banking Fiscalization Department within the stipulated periods. These rights of exit and transfer were set forth in Decree-Law 9025 of February 27, 1946. A summary of Decree-Law 9025 was published by the Department of Commerce in the Foreign Commerce Weekly of March 30, 1946, and further reference was made to this legislation in an article entitled "Exchange Control in Latin America", appearing in the issue of July 6, 1946. Details regarding the new Instruction no. 31 of the Bank of Brazil were contained in the November 15, 1947, issue of the same publication.

International Telegraph Service Established With Germany

The Department of State has been informed by the U.S. Office of Military Government (Omokus) at Berlin that international telegraph service between all of Germany and the rest of the world, except Spain and Japan and their dependencies, was authorized beginning December 1, 1947. Recent quadripartite agreement has permitted the extension to the Soviet and French zones and to Berlin of the telegraph service which has been in effect in the bizonal area (U.S. and British zones) since April of this year. A result of many months of quadripartite negotiations, the extension of international telegraph service to all occupied areas is an important step toward the restoration of normal communications services and will greatly aid in the economic recovery of Germany.

Under the new agreement, incoming international telegraph traffic for the four zones of Germany and Berlin will be accepted without restriction. Outgoing German traffic to other countries will be subject to regulations of respective zonal commanders. In the bizonal area commercial telegrams, including those of a transactional nature, may be sent by Germans under regulations issued by the Joint Export-Import Agency. Any reference to German external assets is prohibited.

During December all German civil messages to the United States will be transmitted by a radiotelegraph station recently established in Frankfurt, owned and operated by the German postal authorities (Deutschepost). Allied messages from the bizonal area to the United States will continue to be handled by the United States commercial companies now operating under Omokus license. Effective January 1, both German and Allied traffic to the United States will be filed with and transmitted by the Deutschepost. To insure specialized service for Allied press traffic exclusively, between Germany and the United States, Press Wireless, Inc., a U.S. company, will continue operation of a radio station in Berlin for an indefinite period under Omokus license.
Resolution of Conflicting Claims to German Enemy Assets

UNITED STATES, CANADA, AND THE NETHERLANDS SIGN AGREEMENT

Robert A. Lovett, Acting Secretary of State, and Tom C. Clark, Attorney General, announced on December 5 that the United States, together with Canada and the Netherlands, signed at Brussels on that date the agreement relating to the resolution of conflicting claims to German enemy assets. The agreement is immediately open for signature by the governments of the 15 other countries which are members of the Inter-Allied Reparation Agency (IARA). The agreement does not become binding on the United States until it has been approved by Congress.

The agreement is the first comprehensive, multilateral agreement on the problem of conflicting claims by governments to German external assets and is designed to avoid the vexatious and long-continued litigation and negotiations which ensued after the first World War on the same subject. The agreement provides for the settlement of cases where the alien-property custodians of two countries both claim the same German external asset or where there is a dispute between an alien-property custodian of one country claiming that certain property is a German external asset and a national of a non-enemy country claiming that the property is beneficially owned by him.

Of about 500 million dollars German external assets reported to be within IARA countries, it is roughly estimated that 100 million dollars or more may be the subject of conflicting claims of the types covered by the agreement.

David L. Bazelon, Director of the Office of Alien Property, Department of Justice, stated that the agreement would enable his Office to secure without undue delay clear title to assets which might otherwise be the object of extended and complicated litigation and negotiations with other governments or their nationals. At the same time the agreement will carry out the regular policy of the Department of State of protecting the interests of the United States nationals in assets outside of Germany owned by a corporation in which there is a German interest or owned by a corporation organized under the laws of Germany. Protection is also afforded by the agreement to the interests of nationals of other signatory countries in such assets.

The types of property covered by the agreement are securities, negotiable instruments, currency, warehouse receipts, foreign-currency bank deposits, decedents’ estates, trusts, and the property in one signatory country of corporations organized under the laws of another signatory country or of Germany.

Of most importance are the provisions on securities, bank deposits, and the property of corporations. The rule is laid down that a security belonging to a German, though physically located in one signatory country, shall go to the alien-property custodian of the signatory country where the entity is organized which issued the security. Bank deposits maintained in one country by a bank located in another signatory country for the benefit of a German customer will, with certain exceptions, be divided equally between the custodians of the countries concerned. In the case of property in one signatory country belonging to a corporation organized under the laws of another signatory country or of Germany, the general rule is laid down, subject to exceptions for administrative practicality, that the signatory country where the property is located is entitled to that portion of the property corresponding to the German interest in the corporation, while that portion corresponding to the non-enemy interest will be free from seizure. The agreement will not apply to the interest of the United States in General Aniline & Film Corporation, Binghamton, New York.

In case a dispute arises between signatory countries regarding the interpretation or application of the agreement, provision is made for compulsory and binding conciliation.

The agreement is the outcome of about 18 months of discussion and negotiation with other countries, members of the Inter-Allied Reparation Agency.

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1 Released to the press simultaneously in Washington and in Brussels on Dec. 5, 1947. For text of agreement and annex, see Department of State press release 944 of Dec. 4, 1947.
first in the Committee of Experts and then in the German External Assets Committee of the Inter-Allied Reparation Agency.

In addition to the agreement's being open for signature to all member governments of the Inter-Allied Reparation Agency up to six months after the effective date of the agreement, a procedure exists for permitting governments which are not members of the Inter-Allied Reparation Agency to participate in the agreement or in a similar agreement any time within nine months after such effective date.

By its terms, the agreement becomes effective when it is adhered to by countries, members of IARA, who are collectively entitled to 35 percent of the shares of assets in category A of German reparations under article 1 B of the Paris agreement on reparation of January 24, 1946. Under article 1 B, Canada, the Netherlands, and the United States together constitute 35.4 percent. Thus the agreement will come into force as soon as Congress approves and as soon as approval is secured from the legislative bodies of the other countries which signed, if such approval is required under the constitutional system of such countries.

Russell H. Dorr, U. S. Minister and Delegate to IARA, represented the United States Government in the course of the negotiations leading to the agreement. In these negotiations he was assisted by advisers from the Office of Alien Property, Department of Justice, Henry G. Hilken, Malcolm Mason, Donald Sham, and Leon Brooks; advisers from the Foreign Funds Control, Treasury Department, Elting Arnold and I. G. Alk; and advisers from the State Department, Ely Maurer and James Simsarian. In the last part of the negotiations, Alex B. Daspit, Alternate U. S. Delegate to the Inter-Allied Reparation Agency, took Mr. Dorr's place in the latter's absence.

London Meeting of the Council of Foreign Ministers—Continued from page 1185

which German economic unity depends are agreed upon and implemented by all four powers, and unless effective guaranties exist for the safeguarding of the fundamental freedoms in all parts of Germany. That is the indispensable basis without which no German government, be it provisional or permanent, can be constituted. 

In the statement I submitted today there are two paragraphs that read as follows:

“We favor the establishment of a provisional government at the earliest possible moment, but we regard it as dangerous to the security of the Allied Nations and to the peace of the world, as well as cruelly misleading to the Germans themselves, to pretend that the mere setting up of a central German government would result in healing the division of Germany.

“The United States wants a real government and not a facade. This government should reflect the free will of the German people and should be permitted to administer Germany without outside interference except for such necessary security measures as the Allies may jointly decide to impose.”

With regard to Mr. Molotov's reference to the omission of any reference to reparations in my statement, I call attention to my statement today that we should seek to agree on a “clear determination of the economic burdens the German people are to bear”.

Further, the British paper which we had suggested be made the basis for our discussion includes three or four paragraphs on the specific subject. But I would like to get a clarification of this phase of the matter. If I interpret Mr. Molotov's statement in so far as it applies to the work before us correctly, it is that Germany must accept a burden of 10 billion dollars in reparations to Soviet Russia in addition to what might be given to the Allies as a condition to the political and economic unification of the German people.

I ask Mr. Molotov if this interpretation is correct. Also if it is correct, I would like to ask Mr. Molotov to state specifically how he would propose for the German people to meet such an obligation.

Perhaps answers to these two questions will enable us to leave generalities and engage in discussion which may enable us to make some progress.

* Printed in this issue.
Right of American Citizens To Emigrate to Soviet Armenia

SUMMARY OF DEVELOPMENTS

[Released to the press December 4]

The Department of State on December 4 released copies of an exchange of notes between the Embassy of the Union of Soviet Socialist Republics and the Department dated April 21 and May 28, 1947, respectively.

The occasion for the publication of this exchange of notes arises out of a writ of habeas corpus brought in the Supreme Court of the State of New York by a natural-born Armenian, a naturalized citizen of the United States, who is desirous of emigrating to the Soviet Union with his three children and who is seeking to regain their custody from the Mission of the Immaculate Virgin for the Protection of Homeless and Destitute Children and the New York Foundling Hospital, to which those institutions state that the children were duly committed in 1942. The Department is informed that an official of the Soviet Consulate General at New York has testified in this case with respect to the contents of the above-mentioned exchange of notes between the Soviet Embassy and the Department. The attorney for the institutions has requested copies of any documents that may be pertinent to the repatriation of Armenians from the United States to the Soviet Union. In response to this request, copies of the exchange of notes have been made available to the attorney for the above-mentioned institutions and are herewith released for public information, together with the Department’s letter to the attorney.

In making this correspondence available to the public, the Department wishes to draw attention to the situation referred to in its note of May 28, 1947, to which no reply has been received. The number of wives of American citizens who have been denied exit visas from the Soviet Union exceeds 250. Of this number more than 50 are natives of the territories which comprised the Soviet Union prior to 1939. Most of the remainder are natives of areas which have been incorporated into the Soviet Union or have been under Soviet military occupation at some time since that date. The number of claimants to American citizenship referred to in the Department’s note exceeds 200.

American citizens considering the renunciation of their citizenship with a view to emigration to Soviet Armenia should bear in mind that such action on their part will be irrevocable. The Soviet Union does not grant to its citizens the right to renounce Soviet citizenship or to emigrate freely to other countries, and permission to do so has frequently been denied to former American citizens who have acquired, or are alleged to have acquired, Soviet citizenship and have subsequently desired to return to the United States.

CORRESPONDENCE RELATING TO ARMENIAN EMIGRATION CASE

[Released to the press December 4]

The translation of the note of the Soviet Embassy at Washington, dated April 21, 1947, and initialed by Vassili Tarassenko, Chargé d’Affaires of that Embassy at that time, follows:

“The Embassy of the Union of Soviet Socialist Republics presents its compliments to the Depart-

ment of State and has the honor to inform it of the following:

“The Government of the U.S.S.R., with a view to satisfying numerous requests of Armenians residing abroad, has given permission for the Government of Soviet Armenia to arrange for the return of Armenians who desire to go back to their

Department of State Bulletin
motherland—Soviet Armenia—from a number of countries, including the United States of America.

"In this connection the Embassy requests the Department of State to render assistance to those Armenians who desire to return to their motherland by permitting them to leave, export property which belongs to them, relinquish their foreign citizenship, et cetera."

The reply of the Department dated May 28, 1947, and initialed by Dean Acheson, Under Secretary of State at that time, follows:

"The Department of State has received the note of April 21, 1947 from the Embassy of the Union of Soviet Socialist Republics in which the assistance of the Department of State is requested in connection with the emigration of Armenians from the United States to the Soviet Union. It is assumed that some of the prospective emigrants in question are American citizens.

"American citizens, or alien residents of the United States except German or Japanese nationals, who desire to emigrate to the Soviet Union are freely permitted to do so. No exit visas are required, and such emigrants are at liberty to take their personal property with them. American citizens may voluntarily relinquish their American citizenship by making a formal declaration of allegiance to a foreign country in accordance with the laws thereof.

"While the Government of the United States will interpose no objections to the departure of persons of Armenian origin from the United States to the Soviet Union, it cannot fail to bring to the attention of the Embassy two categories of persons in the Soviet Union who, notwithstanding all their personal efforts and the repeated representations of the American Embassy in Moscow, have not been permitted to leave the Soviet Union for the United States. The first category consists of persons with claims to American citizenship who have been forcibly removed to the Soviet Union from various countries of Eastern Europe. All efforts of the American Embassy in Moscow to obtain permission to interview these people with a view to establishing their American citizenship and arranging for their return to the United States have been fruitless. The second category of persons consists of a relatively small number of Soviet women married to American citizens who for many months, and in several cases years, have sought permission to leave the Soviet Union in order to join their husbands in the United States. The continued refusal of the Soviet authorities to permit the departure of these wives of American citizens is incomprehensible to the Government and the people of the United States.

"In assuring the Embassy that no difficulties will be experienced by persons of Armenian origin in the United States who desire to emigrate to the Soviet Union, the Department of State requests the favorable consideration of the Soviet Government for the facilitation of the departure to the United States of the two categories of persons mentioned above."

The letter of Ernest A. Gross, Legal Adviser of the Department of State, dated December 3, 1947, to Charles G. Coster, attorney for the Mission of the Immaculate Virgin for the Protection of Homeless and Destitute Children and the New York Foundling Hospital, follows:

"MY DEAR MR. COSTER: In response to the request contained in your letter of November 10, 1947 for copies of documents pertinent to the repatriation to the Soviet Union of natives of Armenia, there are enclosed herewith a copy of a note dated April 21, 1947 from the Soviet Embassy in Washington and a copy of the Department's note dated May 28, 1947. There has been no reply to the latter note.

"The Department particularly desires to call to your attention the fact that the assurance contained in its note of May 28, 1947 that no difficulties will be experienced by persons of Armenian origin in the United States who desire to emigrate to the Soviet Union cannot and was not intended to be construed in any way affecting or prejudicing any legal rights or relationships, such as those under litigation in the case in which you are interested, affecting United States citizens.

"Sincerely yours,

"For the Secretary of State:

"ERNEST A. GROSS

"Legal Adviser"

"(Enclosures: 1. From the Soviet Embassy, April 21, 1947; 2. To the Soviet Embassy, May 28, 1947.)"

"Mr. CHARLES G. COSTER

"51 Chambers Street,

"New York 7, New York."
THE RECORD OF THE WEEK

"Voice of America" Inaugurates New Program to Eastern Russia

[Released to the press December 1]

The "Voice of America" on December 1 inaugurated a new 30-minute Russian-language program of news and features beamed at Vladivostok and the Soviet Maritime Province of eastern Siberia.

The program, employing the State Department's new 50-kilowatt relay transmitter in Manila as well as the Honolulu relay, originates in the New York studios of the "Voice of America", reaching the listening area at 9 p.m., Vladivostok time.

Extensive tests which have been conducted for several months have revealed that the Pacific relay signals are received strong and clear in the new area to be served.

Addition of the Vladivostok program brings the State Department's radio broadcasts to Russia to two hours a day in four separate transmissions. Three of them, beamed to Moscow and western Russia, are received there at 9 p.m., 9:30 p.m., and midnight, Moscow time.

The new program will be prepared by the present Russian-language staff in the New York studios without additions.

The "Voice of America" now sends out 32 hours of programs daily in 22 languages. The programming is done by the Department of State and, under Department of State supervision, by CBS and NBC.

Procedure for Filing War Claims in Poland

[Released to the press December 4]

The Department of State has been informed by the American Embassy at Warsaw that the December 31, 1947, deadline for filing applications for the recovery of property as provided by the Polish decree of March 8, 1946, has been extended to December 31, 1948.

Extension of the deadline was provided by the Polish decree of October 28, 1947, published in Zgierznik Ustaw No. 66, October 30, 1947.

Information available to the Department of State regarding restitution of property in Poland under the decree of March 8, 1946, is contained in the Department's announcement of March 4, 1947.

In general, restitution of property will be granted if possession was lost as the result of abandonment, confiscation, agreement with the occupation authorities, or voluntary transfer if the transfer was made to preserve the property from loss in connection with the war or the occupation.

Mobs Break Into Legation at Damascus

[Released to the press December 1]

The Department of State has been informed by Robert B. Memminger, Chargé d'Affaires at Damascus, that a mob numbering about 2,000 persons broke into the American Legation at Damascus during the forenoon of November 30 and tore down an American flag.

Entry to the Legation was made through rear windows on the first floor. Members of the mob went to the roof and tore down the flag despite the presence of a number of Syrian police. The mob set fire to three Legation automobiles and prevented local firemen from extinguishing the blaze.

Order finally was restored by gendarmes subsequently sent to the Legation.

After a temporary period in which the roads to the Presidency were blocked by the mob and telephone communication was broken, Mr. Memminger finally communicated with Prime Minister Jamil Mardam, who expressed profound regrets. The Prime Minister stated that he had explained to the crowds that subsequently gathered at the Presidency that violence could only harm the Arab cause, and he gave assurances to Mr. Memminger that he had arranged for full gendarme protection of the Legation and the homes of all Legation personnel. Apologies also were made to Mr. Memminger by President Shukri Quwwatli of Syria, who gave the strongest assurances that no further acts of this nature would occur.

The President reiterated the promises of the Prime Minister for reinforcement to protect the Legation and for guaranties for the safety of American personnel. Mr. Memminger reported that President Quwwatli earlier had made a speech to the crowds urging careful avoidance of foreign missions and foreign individuals.

Mr. Memminger further reported that he had sent a stay-at-home order to all Americans who could be reached by the limited communications and transportation facilities.

Licensing of Arms and Ammunition to Middle East Areas Discontinued

[Released to the press December 5]

In view of the current disorders in the Middle East, the United States is discontinuing, for the present, licensing of all shipments of arms to the troubled areas. The shipments of arms and ammunition licensed to the countries of the Middle East area, effected during 1946 and the first 10 months of 1947, are as follows:

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<th>Country</th>
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<td>Egypt</td>
<td>arms</td>
<td>$50.00</td>
<td>$709.63</td>
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<td></td>
<td>ammunition</td>
<td>658.10</td>
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<tr>
<td>Lebanon</td>
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<td>ammunition</td>
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<td>Saudi Arabia</td>
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Similarly, this policy extends to this type of article which may be located outside the United States, including transfer and retransfer of lend-lease arms and ammunition and the sale of United States surplus arms and ammunition.

THE FOREIGN SERVICE

American Legation in Stockholm Raised to Rank of Embassy

[Released to the press December 5]

In accordance with the expressed intentions of the United States and Swedish Governments to raise their respective diplomatic missions at Stockholm and Washington to the rank of Embassy, the first American Ambassador to Sweden presented his credentials to His Majesty King Gustav V on December 5. The presentation of these credentials by Ambassador H. Freeman Matthews effectuates the raising of the United States Legation to the rank of an Embassy.

December 14, 1947

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.


Agreement between the United States of America and Austria—Signed at Vienna June 25, 1947; entered into force June 25, 1947.


Supplementary protocol between the United States of America and other governments, bringing into force in its entirety the protocol of November 26, 1945. Signed at London March 3, 1947; ratified by the President of the United States July 18, 1947; proclaimed by the President August 18, 1947; entered into force with respect to the United States August 1, 1947.


Agreement between the United States of America and Canada regarding termination of reciprocal trade agreement signed December 13, 1940—Entered into force by exchange of notes signed at Washington March 18, 1947, entered into force March 18, 1947; and proclamation by the President of the United States terminating proclamations of December 18, 1940, and August 21, 1941, relating to the reciprocal trade agreement signed December 18, 1940—Issued March 18, 1947, effective May 1, 1947.

Foreign Service List [Abridged], October 1, 1947. Pub. 2955. 80 pp. 25¢ a copy; $1 a year; $1.25 a year foreign.

A quarterly list showing diplomatic and consular offices of the United States abroad and members of the U.S. Foreign Service with their posts of assignment.


The Council of Foreign Ministers

London Meeting of the Council of Foreign Ministers. Statements by Secretary Marshall:
- Questions Addressed to the Soviet Union Regarding German Assets in Austria.
- Extraterritorial Status of German Assets in Austria Not Defined.
- Statement Introducing Discussion of Economic Principles
- Reiteration of Position on German Economic Unity.

Foreign Aid and Reconstruction
Fundamentals of European Recovery.
By Willard L. Thorp

The United Nations and Specialized Agencies
Preliminary Summary of General Assembly Action. Second Regular Session.
Bodies Established by the General Assembly During the 2d Regular Session.
Annex: Summary of Resolutions Adopted at the 2d Regular Session of the General Assembly.
Final Plenary Session of 2d Regular Session of General Assembly. Statement by Ambassador Warren R. Austin.
Eniwetok Atoll To Be Closed for Security Reasons To Conduct Atomic Experiments:
Letter From U.S. Representative to the President of the Security Council.
Annex I.
Annex II.

The United Nations and Specialized Agencies—Continued
First Session of the Council of the Food and Agriculture Organization of the United Nations.

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The President's Message of Transmittal.
Report of the Acting Secretary of State.
International Telegraph Service Established With Germany.
Resolution of Conflicting Claims to German Enemy Assets. U.S., Canada, and the Netherlands Sign Agreement.

International Information and Cultural Affairs
"Voice of America" Inaugurates New Program to Eastern Russia.

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The Department of State bulletin

Vol. XVII, No. 442 • Publication 3008

December 21, 1947

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.
Peace and Understanding—The Desire of All Mankind

ADDRESS BY GEORGE C. MARSHALL
Secretary of State

I am not quite certain of the facts, but I believe I attended a dinner of the Pilgrims Society in New York in 1921 or 1922. Other than that occasion, my knowledge of the Pilgrims has been confined to reports of your dinners and meetings and to the knowledge of your fine contribution to the development of understanding and good will between Great Britain and the United States. Considering the early history of my country and the circumstances of its break with the mother country, I think it is a great tribute to the English-speaking people that such warm friendship and mutual trust have developed between us. That our joint participation in two world wars has increased this feeling is plainly evident, and it is even more evident that such relationship is of great importance to the world today.

I first saw London almost 40 years ago, but after that first visit I did not return until the great victory parade of 1919. My next visit was in April 1942 when I arrived to make the initial proposal for the Channel-crossing operation. That was a difficult mission. We were not only on the defensive around the world, but I had only American prospects to offer, and very naturally my faith was far greater for the early and successful maturity of those prospects than was possible for others.

Despite the appalling situation, filled with forebodings, I was confident in our ability to create an adequate military force far more rapidly and far more powerful than was deemed possible by the rest of the world.

I returned again in July of that year for another review of our plans, and it was then decided to have a go at North Africa. Tobruk had fallen; the Japanese were pushing into the Coral Sea en route to Australia; the Russian armies were being driven back with appalling losses. We faced a gloomy prospect. And yet within three weeks the initiative was wrested from the Japanese in the Solomon Islands. A few weeks later there came in rapid succession the great victory at El Alamein and the landings on the African coast. Stalingrad was but another few weeks beyond. Then the world suddenly realized that the tide had fully turned. We had gained the initiative in Europe, in Africa, and in the Pacific. Our enemies were now desperately guessing as to what was next to come. Their best guesses, their most pessimistic calculations fell far short of the calamities which were to befall them.

While I traveled to many parts of the world after the summer of 1942, I did not return to London until the week of the landing in Normandy some two years after the initial decision to launch that operation.

Now I am back again engaged in quite a different effort to find a basis for peace in the world.

The great desire of all mankind is for peace and understanding, the latter essential to the former. Peace and understanding—they should not be so difficult to secure when the common people throughout the world are hoping and praying for such a result. They are sick unto death of war. The thought of war is violently repugnant to them. Yet people are again fearful of war, to such lengths have the propagandists gone. We must make a supreme effort, I think, to brush aside such insinuations and rise above our difficulties in what might be termed a spiritual conquest of our present weaknesses and frailties. We must restore the belief that we all can live together in peace and understanding.

We do have economic troubles, ideological troubles, but the greatest trouble, I believe, lies in a spiritual apathy that is not an unnatural result of

December 21, 1947

1 Delivered before the Pilgrims Society in London on Dec. 12, 1947, and released to the press on the same date.
the horrors suffered during the past years and the
want and despair which have followed.

Now to turn to my own country. We are en-
gaged, as you well know, in debates in our Congress
of vital concern to the people of Europe. The most
impressive factor at the moment, to my mind, is
the great surge of American public opinion in
support of an effort to alleviate the sufferings and
hardships of the people on this side of the Atlantic.
When one considers the length and breadth of
America and how remote most of our people are
from the European scene, I think the present pub-
lic state of mind in my country is remarkable
evidence of a genuine and generous desire to help
the other fellow.

Pertinent to that comment is the fact that we
now have scattered throughout our people millions
of young men and women who know a lot about the
British people and their intimate life, about
France, Belgium, Italy, and other countries. More
than five million of our young people recently served abroad for a year or more, and at
least three million were overseas for several years,
some for longer periods. They returned to the
United States with a fair knowledge of the coun-
tries in which they served, and along with that they
had undergone a supreme test of themselves. They
witnessed the inspiring exhibitions of courage and
devotion on the part of their allies.

Returning home, large numbers resumed their
education, and many who had previously dropped
any idea of further schooling were inspired to
secure the benefits of college or university training.
So we now have an extensive citizenship of young
Americans of the world who early in life have had
a most unusual experience and who are topping
that off with an extensive education.

This process gives us, I think, a new type of
citizen and one whose judgment will be of immense
value in the coming years with relation to the
international problems of their country.

Important results may well flow from this de-
velopment. One of the most difficult factors in
international relationships these days is the inabil-
ity of the people of one country to understand the
point of view and the conditions of life of the
people of other countries. This is particularly
true when there have been great differences in the
sufferings from the disastrous effects of war.

Europe is a small area and, in the past—now
seemingly the very distant past—people could
travel freely through most of the nations. The
Europeans, therefore, had a good understanding
of each other. This was not true of the people
of America because of the intervening ocean and
the tremendous area of America with its contrast-
ing surroundings. We have tall buildings and ex-
tensive deserts, small farms and vast ranches, high
mountains and great plains. It is very difficult for
people in such varied surroundings to have a deep
comprehension of the conditions, habits of life,
and points of view of the people of Europe, and
it is more difficult, I think, for the people of Eu-
rope to understand Americans.

But today we have the very special situation
which I have just outlined—millions of young
people who have gone through a tremendous ex-
perience early in life, who have seen the world
not hurriedly but through long periods of service
and intimate contact with other peoples, and these
same individuals are completing that very special
education, if I may so term it, with an intensive
educational effort. So I think I am on firm ground
when I say that Europe in particular will be far
better understood by America than America will
be understood by Europe. Just what this will
mean to the future is a matter for careful analysis
and the passage of time. But I have great confi-
dence that it will be very helpful in meeting the
world problems which are now on us and which
will continue to arise.

Reverting to my opening comment on the state
of mutual trust which exists between our two
countries despite the differences we have had, the
manner in which we have resolved those differ-
ences has been a strong cementing influence.
There was our war of American independence.
It was followed by another, called in my country
the War of 1812. This later affair was a curious
freak of history, for war was declared after the
cause for which it was fought had been removed,
and the greatest battle was fought after the peace
treaty had been signed. Whether or not com-
munications of today would have saved us from
becoming involved in this unfortunate conflict is
a matter of opinion. Certainly they would have
prevented the final battle.

There followed, after the two struggles I have
just mentioned, a number of serious difficulties, at
times crises, and it is to the manner of settlement
of those differences that I would draw your attention. England took a strong position regarding inclusion of the present State of Texas in our Federal Union. She took a stronger position regarding our northwestern boundary. "Fifty-four Forty or fight" was the battle slogan in my country at that time. Later came the period when vessels were fitted out in England to support the Southern Confederacy during our War between the States. This gave rise to the famous Alabama claims. For a brief period consideration was given by your leaders to the support of the ill-fated venture of Maximilian in Mexico. An issue over the fur seal in the Bering Sea developed into a very serious matter. And there were times when America looked upon Canada with envious eyes—for Americans know a good thing when they see it. As late as 1895 came the Venezuela incident which drew so strong a statement from the President of the United States that war was actually threatened. Yet all of these and other differences, extremely critical as some may have been, were satisfactorily settled either by respect for commitments made, by the process of negotiation, or by invoking arbitration. This record, I think, is an unparalleled chronicle in the history of international relations. As a direct result, there has developed a feeling of confidence in the mutual integrity of our relationship recently demonstrated by the complete merging of our personnel and matériel in the war effort. I know of no better example in history of what can be accomplished by nations who are willing to negotiate in the spirit of frankness and with a genuine desire to resolve their difficulties.

The steady growth in the relations between our countries has not been accidental. It is a natural growth in the case of two peoples enjoying a common heritage and sharing a common outlook on the fundamentals of human society.

Those who see this close and even fraternal relationship as evidence of calculated political combinations are confusing cause and effect. There is no more natural relationship in international life than that between the United States and the British Commonwealth. This relationship requires no special political initiative. It is not embodied in any formal treaty or pact. It has been said that the differences in our economic systems may hamper or even obstruct this natural development in the future. I see no reasons for such fears. The American people and the British people are not given to fanatical devotion to any one doctrine—except the doctrine of liberty. Our national traditions run more to the practical than to the abstract. We tend to rely on common sense and to judge by result. Our peoples, because of the different circumstances in which they find themselves, have evolved and are evolving within the orbit of truly free political processes somewhat varying approaches to the economic problems which beset the modern world. But I am confident that this difference offers no serious difficulties to our future relationship.

We must not conjure up imaginary ghosts when so many real specters are at large in the world today. We should proclaim the existence of a relationship unique in history. It is a relationship which menaces no one—harms no one. On the contrary, it is truly beneficent in its influence on world developments.

### Confirmations to the United Nations

On December 8, 1947, the Senate confirmed the following executive nominations:

- **Alternate Representative of the United States of America to the Second Session of the General Assembly of the United Nations**, to be held in New York, N.Y., beginning September 16, 1947
  - John H. Hilldring

- **Representative of the United States of America on the Good Offices Committee of the Security Council of the United Nations on Indonesia**
  - Frank Porter Graham

- **Representatives of the United States of America to the Second Session of the General Conference of Unesco held in Mexico, D.F., Mexico, from November 6 to December 3, 1947**
  - William Benton
  - Laurence Duggan
  - Milton S. Eisenhower
  - Reuben G. Gustavson
  - Helen C. White
  - Milton S. Eisenhower
  - Helen C. White

- **Representative of the United States of America on the Special Balkan Committee established by the General Assembly of the United Nations October 21, 1947**
  - Admiral Alan G. Kirk, United States Navy, retired.
London Meeting of the Council of Foreign Ministers: Question of Reparations From Current Production

STATEMENT BY SECRETARY MARSHALL

All these matters we have been discussing—export-import program, the first charge on German exports, agreed statements of external-occupation costs, balances, economy, et cetera—will revert to the question of reparations.

It is impossible to have a clear picture of how all these matters can be put into effect unless we get a clear answer from the Soviet Delegation on the question of reparations from current production.

I have already stated that the United States Government considers that the questions of reparations were finally settled at Potsdam. We will not agree to the program of reparations from current production which under existing conditions could only be met in one of two ways. The first would be that the United States would pay for such reparations. This the United States will not do. The only other method of obtaining reparations from current production from Germany at the present time and for the foreseeable future would be to depress the German standard of living to such a point that Germany would become not only a center of unrest in the heart of Europe, but this would indefinitely, if not permanently, retard the rehabilitation of German peace-time economy and hence the recovery of Europe.

I wish it to be clearly understood that the United States is not prepared to agree to any program of reparations from current production as a price for the unification of Germany.

Europe, including Germany, is in a critical economic state. What we do here should, as I have repeatedly said, be related to that reality. We should not confine ourselves to what will be quite academic unless Europe surmounts the grave economic difficulties which press upon her.

One essential contribution we can make to European recovery is to determine here and now that, except for agreed reparation in capital goods, nothing shall be taken out of Germany except for counter values which will produce the essential imports needed to enable Germans to survive. That was, in reality, agreed to at Potsdam (III, B, 193), but developments have been otherwise.

In western Germany the United States and Great Britain are pouring in food to keep Germans alive. As I have said, this is costing some 700 million dollars a year. At the same time in eastern Germany assets are being taken out at a rate and value which we estimate to be over 500 million dollars a year. Also, in that area German businesses, through one device or another, are being brought under Soviet ownership and placed in a gigantic Soviet trust. Thus, in effect, much of German economy operates for Soviet account. Also, much German manpower is being taken out...
of productive effort either through forcible seizure or under the color of contracts which are imposed.

This is the situation which needs to be corrected at once. Correction cannot be delayed for a decision at some indefinite future time. Before then, German economy most probably would be so wrecked that its dead weight will drag down and submerge the economy of all Europe.

Accordingly, on paragraph 22 I ask the Council now to make a decision. From January 1, 1948, nothing shall be taken out of Germany except for a fair economic value in money or goods which can be immediately used to sustain the German economy. This decision shall stand until further action by the Council or pursuant to a peace treaty but shall not apply to agreed reparation deliveries in capital goods.

If we cannot take this economic decision which is of immediate, vital significance, then we are wasting our time when there is no time to waste.

I feel that we are entitled to a positive answer from Mr. Molotov now to the question raised in paragraph 22.

Proceeds From German Business Property
Applied to German Economy

U.S. REPLY TO SOVIET INQUIRY

The United States delegation submits the following reply to questions addressed to it by the U.S.S.R. delegation on December 12, concerning the acquisition of German business properties by United States interests in the United States zone of Germany and concerning profits made by the United States on exports of coal and timber from the United States zone in Germany.

The United States long ago proposed a moratorium on the acquisition of foreign ownership or control of property in Germany except to replace property destroyed or transferred since September 1, 1939, with property similar in character and value. It also proposed a report in the Control Council on:

(A) The policies followed by each of the occupying powers in this respect;

(B) A factual statement of the changes in foreign ownership or control of property in each of the zones since the occupation.

This proposal has not been accepted. The United States, however, has scrupulously carried out, in its own zone, the principle of the moratorium that it proposed.

There is not one single case of German business property that has been acquired by United States interests during the entire occupation. All goods shipped out of the United States and United Kingdom zones and all services provided for foreigners out of German resources have been sold at world market prices. Not one penny of these proceeds is diverted to the use or advantage of the occupying powers. This includes both coal and timber. The United States invites the assistance of the Germans and of the other occupying powers in obtaining favorable terms of trade for German exports. All the proceeds from such exports are used to buy essential imports for the German economy. Total exports from the bi-zonal area from January 1 to November 1, 1947, total 165 million dollars.

1 Concerning acquisition of German business properties by U.S. interests and profits of U.S. on exports of coal and lumber in Germany. This reply was released to the press in London on Dec. 14, 1947.
FOREIGN AID AND RECONSTRUCTION

Greece—The Crucible

BY GEORGE C. McGHEE

Coordinator for Aid to Greece and Turkey

It is a great pleasure indeed for me to be able to appear tonight before the Tacoma World Affairs Council to discuss with you some of the aspects of this country’s program for aid to Greece. The splendid work of this council, which is in itself representative of the keen interest in foreign affairs here in your great Pacific Northwest, is well known and appreciated by the Department of State in Washington.

The guerilla warfare which is raging in Greece today is not a simple effort by dissatisfied Greeks to overthrow the present Greek Government. It is part of a well-planned campaign, assisted by unfriendly foreign governments, which is designed to tear Greece away from the democracies of the world and to force upon her a totalitarian government which would operate as a puppet of the Communist regime. Efforts on the one hand by Greece and her friends to preserve Greek democracy, and by the Communists on the other to transform Greece into a satellite, have developed the characteristics of a tug of war, the results of which will determine not only the fate of Greece but will have a profound effect upon many countries in Europe, the Middle East, and other parts of the world. It is with respect to the methods employed by the United States Government to assist Greece in her struggle, and the determination of the American people to see that this assistance is adequate and effective, that I wish to address myself.

Today Greece is the only Balkan country which has been able to retain its independence from Communist domination. I cannot emphasize too strongly the importance to the United States, indeed to all peace-loving nations, that the Greek people have the continued opportunity to maintain free and democratic institutions. If Greek independence should be compromised or if the Greek Government should be overthrown by this militant minority, Italy and Turkey would be flanked by Communist-dominated territory. The foundations of the United Nations would be shaken, and the faith of all nations in the ability of democracy to maintain itself against opposing forces existing in the world today would be weakened. The prestige of the United States, and even our national security, might be seriously affected.

Communist nations are fully aware of the importance to the democracies of a free Greece. They are aware that so long as Greece remains free the spread of Communism throughout Europe and the Middle East will be impeded. They are also aware of the strategic importance of Greece to their own cause and are determined in their efforts to impose upon the Greek people a totalitarian government aligned with international Communism. Reports from Greece indicate only too clearly the fanatical determination of the Communists in achieving this objective and the ruthless methods they employ. The method of the Communist in Greece is to conspire, to incite, to destroy, to burn, and to kill. The question I raise tonight is whether our methods in Greece can compete with their methods—whether our determination is greater than theirs. These are the questions that Greece and the world are asking.

The contrast in the methods employed in the struggle for Greece is, I think, indicative of the effective difference between the ideologies represented. In their efforts to win Greece to totalitarianism, the Communists, taking advantage of the confusion and disorder consequent to war, have endeavored to perpetuate conditions of instability.

*Address delivered before the Tacoma World Affairs Council at Tacoma, Wash., on Dec. 12, 1947, and released to the press on the same date.

1206.
and poverty in which Communism can thrive. The first attempt by the Communists to seize power in Greece was frustrated by their defeat during the insurrection in December 1944. They then turned to a program of economic and political sabotage. Following the failure of their policy of abstention from the elections in March 1946, which resulted in a complete victory for non-Communist parties, they have resumed armed warfare against the duly elected Greek Government. Continuation of this warfare has been made possible mainly because of the substantial assistance which has been rendered to the guerrillas by Greece’s Communist-dominated northern neighbors. As you know, clear evidence of this assistance was found by the United Nations Commission of Investigation Concerning Greek Frontier Incidents, which visited Greece the early part of this year.

Subversive efforts in Greece have also been aided by calculated campaigns of international Communist press and radio, by diplomatic threats, by ostentatious displays of armed might, by exploitation of existing discontents, and by various other means designed to stir up political, economic, and religious strife. It is true that those efforts are often aided by misguided idealists who do not understand the real purpose of Communism, or by individuals, groups, or even governments who, in order to obtain Communist support for some particular objective, are willing to ally themselves at least temporarily with Communism. In Greece the Communists have received strong support from peoples with Slavic affiliations who have been encouraged in their dreams of a Slavic-dominated Macedonia and Thrace.

The contrast of this policy with the policy of the United States Government in Greece is striking. We came to Greece at the request of the Greek Government, freely chosen by a freely elected Parliament, to help reestablish internal security, to help feed and supply the Greek people, to help rebuild the destruction of the war, and to help start Greece on the road to economic recovery. Our objective is to restore Greece to a condition of stability as quickly as possible, so that the Greek people can once more live free, normal lives, without the necessity for outside aid. Our only selfish motive in doing this—if it could be called selfish—is to prevent the threat to world peace, and therefore the threat to ourselves, which might result if the present unfortunate conditions in Greece were allowed to continue. Greece has always been a poor country—without sufficient land or resources to provide a decent standard of living for its own people. It is self-evident that we were not impelled to assist Greece by any motive of economic imperialism—as we are accused by the Moscow press.

I would like at this point to clarify an issue which often arises in discussing the Greek aid program. Critics of the program have frequently questioned the propriety of the United States’ “backing” the present Greek Government. The charge is often made, particularly by the Communist governments, that the Greek Government is not really democratic or representative of the Greek people. As to the representative character of the Greek Government, you may recall that general elections were held in Greece on March 31, 1946. These elections, observed by 1,200 American, British, and French officials, resulted in a substantial victory for the right and center political groups. Scientific sampling by disinterested specialists showed that only 9.3 percent of the voters, representing for the most part extreme leftists, boycotted the elections for political reasons. Even allowing the maximum margin of error, the number of abstentions for political reasons was determined not to exceed 15 percent. The two leading parties in the elections, the Populists and the Liberals, recently joined in a coalition government which received an overwhelming vote of confidence by the Parliament.

Following these general elections, a plebiscite was held on September 1, 1946, with British and American observers, in which 68.3 percent of the eligible voters of Greece cast ballots favoring the return of the King. The legality and representative character of the present government is not, therefore, questioned. It is possible, of course, that the attitude of the Greek people has changed one way or the other since these elections were held, as, indeed, the attitude of voters in any country may alter after their ballots are cast. It is, however, generally conceded that, in view of the large portion of Greece controlled by the guerrillas, another election could not be carried out at the present time without disenfranchising a large percentage of the voters.

It is not the objective of the American aid program to “support” the present Greek Government or any other government. It is our objective to
assist the Greek people in maintaining the freedom to choose themselves the form and composition of their government. We have no desire to influence the judgment of the Greek people with regard to that government.

It is also often asked why the United Nations, rather than the United States, could not have come to Greece's assistance. This question was, of course, given careful consideration before the American aid program was formulated. It was discussed at some length in the congressional hearings concerning the program, and on March 24, 1947, Mr. Dean Acheson, then Under Secretary of State, made the following comments concerning this particular point:

“If Greece had applied to the United Nations or any of its related organizations, the essential element of time would have been lost, and the end result would have been the same. The funds would have come primarily from the United States. The United Nations does not of itself possess funds. The Economic and Social Council is an advisory body that recommends economic, financial, and social action to member states. The International Bank, which is just now completing its organization, is set up primarily to make self-liquidating loans for long-term reconstruction purposes. It has not yet made any loans whatsoever. The Economic Commission for Europe is still in its early organization stage.

“It may be that at some future time the United Nations will be organized and equipped so as to render emergency aid to member states of the kind now needed in Greece and Turkey. But, as the President said, the United Nations and its related organizations are not now in position to extend help of the kind that is required. Even if some organ of the United Nations should decide to recommend assistance to Greece and Turkey, it would have eventually to turn primarily to the United States for funds and supplies and technical assistance. Even if the project were not blocked by the objections of certain members of the United Nations, much time would have been lost, and time is of the essence.”

Let us look, now, to our methods in Greece—how do they differ from the methods previously used by UNRRA and the British to assist Greece? Can they combat the methods of the Communists?

On February 21 the British Government advised this Government that they would be forced on March 31 to terminate financial assistance to Greece. After extended debate the Congress authorized in May the Greek-Turkish Aid Act, under which 300 million dollars was allocated to Greece. At about the same time Congress authorized the post-UNRRA relief bill, under which Greece was to receive between 40 and 50 million dollars in relief supplies. But Greece needed more than financial assistance. UNRRA and the British had spent 750 millions of dollars in Greece without making any real progress in starting Greece on the path to recovery. Greece needed not only money but experienced administrative, economic, and technical personnel to advise Greek officials, farmers, and industrialists in modern methods. The Greek Government asked us to send an American mission for this purpose, a mission which would at the same time insure that American aid and Greece's own resources are used effectively in achieving internal security and creating a stable, self-sustaining economy. The Mission which we sent to Greece in response to that request is headed by Dwight P. Griswold, former Governor of the State of Nebraska. The Mission consists of about 160 Americans engaged in the administration of the civilian program and 100 army and Navy personnel to assist in military aspects of the program. In addition, there will be at the peak of activity several hundred representatives of the U.S. contracting firms who are responsible for the reconstruction work under the program.

Since July the Mission has been advising the Greek Government in such matters as government organization, budget and fiscal controls, taxation, programming and control of imports, stimulation of exports, methods for obtaining from Greek shipping interests a greater contribution to the Greek economy, development of a public-health and -welfare program, formulation of wage-price policies, and planning and implementation of the reconstruction programs.

Concurrent with this economic assistance, Mission military personnel have been helping the Greeks to supply and equip the army needed to defeat the guerrilla forces. This group determines the type of equipment and supplies needed, observes their receipt and distribution in Greece, and instructs Greek personnel in their use. As a
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result of a recent urgent request by the Greek Government inspired by a deterioration in the guerrilla war, 90 additional United States military officers are being sent to Greece as part of the Aid Mission to render strategic and tactical advice to the Greek Army down to the divisional level. There are, however, no American combat troops in Greece.

Original plans contemplated that about half the appropriation of 300 million dollars would be expended for the civilian economy and the other half for military purposes. Funds have been earmarked for the reconstruction of Greece’s war-damaged ports, canals, railroads, roads, telecommunications, houses, schools, and productive facilities. Restoration of the most important of these was scheduled at an estimated 35 million dollars for external costs. Thus far, 23 million dollars has been obligated for this work, which is going ahead with increasing momentum. The equivalent of about 51 million dollars in Greek currency, obtained through the sale in Greece of consumers goods imported under the aid program, will defray the internal costs of reconstruction.

The reconstruction work in Greece is being done under contracts entered into between the Army Corps of Engineers with leading American construction companies. These companies in turn employ Greek labor and subcontract to the maximum extent possible with Greek firms. The principal projects under way at present are the repair of important segments of Greece’s 9,000 miles of roads, particularly in the vital link between Athens and Salonika, repairs to principal railroads, restoration of facilities at the ports of Volos, Piraeus, and Salonika, and clearance of the Corinth Canal. Fourteen major railroad bridges are being fabricated in this country. All of this reconstruction activity is a visible and dramatic evidence to the Greek people of the sincere desire of the United States to aid the Greek Nation.

The Mission’s agricultural-rehabilitation program includes funds for the repair and purchase of equipment for increasing farm production and for carrying on research and instruction needed to improve agricultural methods. Seeds, fertilizer, insecticides, machinery, and spare parts purchased with aid funds are already going forward to Greece in significant volume. Local processing facilities for sterilizing dried fruits, for pressing olives, and for ginning cotton will be repaired or rebuilt so that Greek products may be properly marketed. A well-drilling program has been started to increase supplies of ground water necessary to expand productive land areas.

The Mission has also undertaken a public-health program as part of the rehabilitation of Greece. The basic objectives of the program are to improve the organization of Greek health services, to combat those diseases, such as malaria and tuberculosis, which constitute the greatest economic drain upon the country, and to train the Greeks in nursing and other practical public-health fields. The Mission’s Public Health Division has taken steps to procure vaccine and sanitary facilities for the 350,000 refugees in the northern part of Greece who have been made homeless by guerrilla activities.

In the field of labor the Mission is aiding the Greek Government in the development of a sound wage and salary structure designed to promote industrial efficiency and an equitable relationship between income and prices. The Mission is supporting a program to train workers in the skills required for the reconstruction program and in other vocational fields which will assist in Greek recovery.

The Mission is collaborating with the Greek Government in the institution of extensive reforms in Government administration, which had become so badly disorganized as a result of the war that it was unable to carry on even the normal functions of a government. The objective in this field is to increase administrative efficiency, to improve civil-service procedures, and to make over-all savings in the Greek budget by elimination of duplication of effort and unnecessary government services. The Greek Government is reducing its civil-service employees by 15,000 before December 15, under a plan developed in collaboration with the American Mission.

Another important aspect of the aid program is to assist the Greek Government to improve export and import controls. The Mission’s efforts are directed toward the elimination of luxury imports and the assurance that all of the basic needs of economy will be met. One of the most difficult aspects of the program is to find markets for Greek exports in order to revive Greek foreign trade, which is essential if the country is to become self-sufficient. The Mission is now assisting the Greek Government in reviving trade with the U.S. and December 21, 1947
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U.K. zones of Germany—trade with Germany having been the largest segment of prewar Greek trade. In accordance with an agreement between the Greek Government and the Mission, a Foreign Trade Administration headed by an American employee of the Greek Government has been created. This Administration is responsible for the issuance of import licenses and the stimulation of exports.

The plans that have been laid are good. Greece now has for the first time since the termination of the war a balanced economic program designed to start her on the road to self-support. The Greek Government is cooperating fully with the American Mission in efforts to turn Greece's own resources into the recovery effort. For the first time since the war, there is on paper a balanced Greek budget.

Economic improvement resulting from implementation of this program, however, cannot be expected quickly. So far there has been little real evidence of progress. The methods at our disposal have not yet overcome the force of circumstances existing when we came to Greece. Since the success of the program depends first of all on the restoration of internal security, it has been hampered by continued guerrilla activity. Military operations have forced many persons from their homes in the north of Greece to seek refuge in protected communities where their presence creates an acute health problem and their support a serious drain on national resources. There are, moreover, other factors which have had an unfavorable effect on the program. The extreme drought during the present crop year has resulted in a grain harvest in Greece of only two-thirds normal, and in order to feed the population approximately 28 million dollars of additional grain must be imported. Increased world prices have reduced by a significant percentage the buying power of funds appropriated. Intensified guerrilla warfare, resulting in over-all worsening of the military situation, has made it necessary to devote to military purposes 9 million dollars originally scheduled for reconstruction. Continued unsettled conditions have seriously affected the collection of indigenous food products and the distribution of supplies, have aggravated inflationary conditions, and retarded foreign and domestic commerce.

As a result of these factors the Department of State is giving serious consideration at this time to the question of additional aid to Greece during the present fiscal year and after the expiration of the present program. Greece is, as you know, one of the 16 European countries in the European Recovery Program, if and when the program is put into effect. That program is designed to meet the economic needs of the participating countries on a cooperative basis, and under the plan the deficit in Greece's balance of payments would be provided for. There are, however, other equally important Greek requirements for which provision would not be made in the European Recovery Program. I particularly have in mind the need for foreign assistance in equipping Greece's military forces so long as the guerrilla warfare continues and remains a threat to Greek independence.

We cannot yet prove by results achieved to date that our methods in Greece can win. We know that they are consistent with our obligations under the United Nations Charter and with the sovereignty and dignity of the Greek state. We think that they are effective methods; and those responsible for the execution of the program, both in Greece and in Washington, are constantly seeking, within the limits set by the Congress, to refine and perfect these methods.

The decision as to whether America will enter into the European Recovery Program and the decision as to whether we will continue other vital aid to Greece are, of course, for the people and Congress of the United States. It is up to them to decide the nature and extent of future assistance to Greece, and to Europe. And this decision may, in the final analysis, be the answer to the question of whether Greece and democracy can survive, since it will be the measure of the determination of the American people to make them survive.
Aid Essential to European Integrity and Independence

BY THE CHAIRMAN OF THE U.S. DELEGATION TO THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

I want to talk to you very briefly this evening about the European Recovery Program, commonly referred to as the Marshall Plan.

I realize fully that few subjects have been as widely discussed as this one.

Newspapers, magazines, the radio, the Congressional Record are literally full of the Marshall Plan.

This very excess of presentation and argument has served in many cases to confuse the real issues.

Doubtless many of you are honestly wondering what course the United States should follow in this matter.

You are probably asking whether Europe really needs so much help and, if so, why we should provide it in addition to the billions which we poured into Europe through Lend-Lease, UNRRA, the Export-Import Bank, and otherwise. You may be saying that Europe should go back to work. And you may be thinking if we must help, why not give them such food and coal as we can spare and let it go at that.

Finally, you may be afraid of the effects of the Marshall Plan on inflation here at home.

All these are perfectly natural questions, deserving very thoughtful and considerate attention.

Let me first remind you, however, that the European countries in the Marshall Plan comprise a highly industrialized area of 270 million people, with a high prewar standard of living. Before World War II these countries operated about two thirds of the ocean shipping of the world and did about one fourth of the international trade of the world. They had incomes from foreign investments and services sufficient to pay for about one fourth of their imports from the rest of the world. Unfortunately these investments quickly disappeared in the huge maw of war.

Most of this territory in western Europe was devastated in the war. You know about that, of course, because many of you have seen it, and all of you have read about it.

But this obvious damage to European economic life was exceeded by an even greater hidden damage—invisible things—broken links between farmer and city worker, between port and inland markets, between nation and nation; and, perhaps more serious than all, loss of faith in many countries in the integrity and stability of their money.

My observation during five months in Europe this year convinced me that people there are still just as hard-working and serious as we are here in the United States. They will always work if they have something to work with and if they can get paid for their work.

If you were a farmer or a factory worker in Europe, you would probably hesitate to exchange your labor for paper money which wouldn't buy the things you needed because of shortages. You would wonder what the buying power of the paper money might be a year or two hence and would probably end up by not working quite so hard or by diverting your labor to something you could consume yourself.

And still restoration of production in Europe has made remarkable progress, everything considered.

For greater food production, the European farmer needs fertilizers and agricultural implements. But for lack of food the coal miner can't get out the necessary coal for the production of fertilizers and steel. Thus the shortage of agricultural implements is partly due to lack of steel which goes back to coal and back of that to food again.

Coal is the worst of the visible bottlenecks.

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1 Address broadcast from Habana on Dec. 8, 1947, and released to the press on the same date. The Chairman of the U.S. Delegation is William L. Clayton, former Under Secretary of State for Economic Affairs.
In recent weeks, there has been a great increase in coal output both in England and the Ruhr, which proves that it can be done.

The greatest invisible bottleneck is unstable money. Europe can remove these bottlenecks only with our help.

Europe’s main problem is one of production. Increased production can break those vicious circles and forge the links enabling Europeans to pull together.

As you know, western Europe is highly industrialized. Great quantities of food and raw materials must be imported, principally from the Western Hemisphere, to feed the human beings and the machines in the cities. Manufactured goods are then exported to pay for these imports.

But because of the dislocations of war, it has so far been impossible to get this vast complicated economic machine going again at anything like normal speed.

Some day this will be done, and then Europe can stand on her own feet again without special outside assistance.

Meantime, however, Europe must continue to eat and work, if economic chaos is to be avoided. To do this, she must import food and raw materials in quantities far in excess of her ability to pay.

It is the purpose of the Marshall Plan to supply the 16 countries and western Germany with such essential imports until these countries can get back into production and until they can reconstruct and develop their shattered economies with the aid of credits from the International Bank and other sources.

The future of Europe will then largely depend upon the efforts of the European peoples themselves and upon the success of efforts to expand world trade by lowering the barriers and eliminating the discriminations in such trade.

You have read in the newspapers, I am sure, of the work of the United Nations Preparatory Committee on world trade, consisting of representatives of 18 nations, meeting at Geneva for five months this last spring and summer. As a result of that meeting 120 trade agreements were entered into between the nations present, reducing substantially tariffs and discriminatory practices in the exchange of goods between nations.

In addition, a charter for the International Trade Organization of the United Nations was agreed to for submission to the World Conference on Trade and Employment now meeting in Habana. This charter is expected to serve as a common code of conduct in international economic relations; it provides for negotiation between nations for lowering barriers to trade and for elimination of discriminatory practices in international trade. Such action should result in a great increase in the production, distribution, and consumption of goods in the world, so that people everywhere will have more to eat, more to wear, and better homes in which to live.

Europe is vitally interested in all of this. Her economy depends greatly on world trade.

But, first, there must be economic recovery in Europe.

For this, Europe desperately needs the help which Congress will be asked to provide.

The United States is the only country in the world able to provide this help. While the war almost destroyed the economy of Europe, it enormously expanded the economy of the United States. No enemy ever invaded our country or bombed our cities. We built many new factories and added to the old ones. We developed new techniques of production. We greatly increased our production of food. In the present year our total production of goods and services is estimated at 235 billions of dollars. Less than 2 percent of that sum annually for four years will finance the Marshall Plan. It is highly important that the entire cost of the Marshall Plan be covered through taxation. In this way any inflationary effects should be substantially neutralized.

Even with the Marshall Plan, our exports in 1948 and later are almost certain to be less than in 1947.

To supply Europe with food and coal only would be wholly inadequate. This is not a relief job. It is a job of economic recovery. There will be no recovery in Europe if there are no raw materials for the factories, even though the people do not starve or freeze. People out of work, walking the streets, with factories closed, cannot reconstruct their shattered economies.

To do half a job here would only mean that we would lose what we put into it, and when the money’s all spent, we’d find Europe worse off than when we started.

Some people seriously question our responsibility and interest in this matter; they argue that
Europe’s difficulties are not of our making and that we should let Europe work out of her troubles as best she can.

This view fails to take into account the vast change which has come over our world in the last few years. Many of us can remember when there were no airplanes, or radios, or even automobiles. In less than 50 years the world has been transformed into one great big neighborhood.

Not for long can we have a happy and prosperous America if other large and important sections of the world lie prostrate, cold, and hungry as a result of the war.

There are probably few people left who still imagine that the Atlantic and Pacific Oceans can protect us from all enemies. But there are more who believe that we can build an economic wall around America and enjoy a high standard of living here, while a good part of the outside world remains in ruins, with its people half starved and in tatters.

And there are many who preach a course of action for our country which can only be explained on the assumption that they do secretly cherish such beliefs.

I sometimes wonder if we Americans realize that most of these countries in western Europe are today struggling desperately to maintain their independence and integrity and what that means to us.

If an enemy army were pounding at their gates, we would understand perfectly well what was going on.

But that is the old-fashioned way. The new technique is to bore from within, in the hope that this will not particularly disturb the rest of the world and will not bring in powerful allies to help.

The whole world sees the intended victim writhing in the grasp of a great power bent upon subjugation and control, but because armies are not on the march and airplanes on the wing, some of us cross to the other side of the street and go about our business.

Russia has announced her undying opposition to the Marshall Plan. She is doing everything in her power to prevent its adoption. If it is adopted she will do everything in her power to prevent its success. She talks about Yankee imperialism. Last year, at the height of our financial, industrial, and military power, we set the Philippines free.

Moreover, we sent a commission to the Philippines to join in celebrating the birth of the new Republic.

Western Europe is made up of our kind of people. Many of our forefathers came from there. Those people hate Communism, but if they must resist it under conditions of economic frustration, cold, and hunger, they will lose the fight.

Let there be no mistake about it. If we should say that we will not supply the necessary help without which there can be no European recovery within the foreseeable future, it is almost certain that every country in continental Europe would lose the battle to maintain its integrity and independence.

THE CONGRESS

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It is always a pleasure to meet with a group in which are many old friends, and it is a privilege to discuss with the distinguished membership which makes up the Board of Directors of the Pan American Society certain of our Hemisphere problems and particularly some of the economic questions which may be expected to come before the Ninth International Conference of American States at Bogotá. These questions are highly important to the future of inter-American relations, and it is essential that our delegation to the Conference be fully aware of the views of groups of citizens such as the Society, whose members have for so long played an outstanding role in advising and assisting in our economic relations with the other American nations. I have therefore looked forward particularly to this opportunity to speak to you tonight.

Economic cooperation among the American republics was given extensive consideration at the Inter-American Conference on Problems of War and Peace, which was held in Mexico City in 1945. Subsequently, the subject was raised at the Conference for the Maintenance of Continental Peace and Security at Rio de Janeiro last August. You all know how successful the Rio conference was. The treaty which it produced was described yesterday by Senator Vandenberg as “sunlight in a dark world”. He characterized it as “a supplement and not a substitute for the United Nations” and called it “cheerful, encouraging, and happy news in a war-weary world which is groping, amid constant and multiple alarms, toward the hopes by which men live.” Certainly the acclamation with which the treaty has been received both in the New World and the Old has marked it as one of the few encouraging international agreements in these trying times. The United States was fortunate in having at Rio de Janeiro a delegation of broad vision, the members of which left all party politics on our own shores when they set forth for Brazil. Rarely have we sent abroad a more distinguished delegation. You will recall that it consisted of the Secretary of State; the Chairman of the Senate Foreign Relations Committee, Senator Vandenberg; the former chairman of that Committee, Senator Connally; our Representative to the United Nations, ex-Senator Austin; the former chairman of the Foreign Affairs Committee of the House, Congressman Bloom; and our Ambassador to Brazil. The result of their work was worthy of their ability, and the treaty of reciprocal assistance, which, as you know, was ratified yesterday by the Senate by an unprecedented vote of 72 to 1, is an example of community action by the countries of the New World, which we trust will be the means of forever banishing war from this Hemisphere.

The question has been asked: “If it is desirable to conclude an agreement for Hemisphere cooperation in the field of defense, is it not equally desirable to conclude a parallel agreement in the economic field?” The answer at Rio was emphatically “yes”, with the result that the Inter-American Economic and Social Council was requested to prepare a draft of a basic agreement for inter-American economic cooperation, for consideration at the Bogotá meeting. The Council is now engaged in that work and will present a draft for study by the American governments prior to the Conference. I should like to go over with you

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1 Address delivered before the Pan American Society in New York City on Dec. 9, 1947, and released to the press on the same date.
some of the problems as they are developing and to indicate our hopes as to the kind of agreement which may finally result.

Close economic cooperation among the American nations has a growing tradition—in fact, it has become of great importance in contributing to improved economic conditions in the Americas. What we must seek in the agreement to be signed at Bogotá is the basis for making that economic cooperation even more effective in the future.

The Bogotá conference, as you know, has now been set for March 30 instead of January 17 as originally planned. While we did not initiate the proposal to postpone the conference, we were glad to go along with the majority in this decision, particularly as we hope by the end of March that plans for economic aid to Europe should have been decided and the United Nations Trade Conference at Habana will have been concluded. The Bogotá conference will meet at a time when serious economic problems concern all of the American republics, including our own country. At the present period, unfortunately, instead of being well on our way out of the transition period and into full postwar development, we are still faced with many difficulties, and it is evident that this situation will continue for some time to come. The plans for the future which will be discussed at Bogotá must therefore be based on the economic facts as they exist today. I think we will all agree that we should not attempt too much too rapidly but preferably build upon the lines which have in the past proven most successful. In any case, the agreement which we look forward to signing at Bogotá will be a basic agreement, detailed development of which we may expect at the technical economic conference which is scheduled to follow in the latter part of 1948.

From the viewpoint of both our neighboring nations and ourselves, the matter of economic development and the means by which it can go forward will certainly be one of the most important elements in the Bogotá agreement. When we say that the sound economic development of Latin America is in our own interest, we are not merely paying lip service to a popular idea. Unfortunately, however, one still hears the criticism that this Government and the people of the United States do not favor economic development in Latin America since such development would compete

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treatment to be accorded foreign capital and skills, and this will doubtless have a place in the basic economic agreement at Bogotá. The economic development of Latin America is a long-range and continuing operation—requiring as much as twenty or thirty years, not merely four or five. We should, therefore, plan for the long pull, and we must recognize that, if development programs are to be carried out by means of cooperative action between this country and the Latin American countries individually, the arrangements must be beneficial to both parties. There needs to be a re-statement of the rights and obligations entailed in international investments and then a full and continued observance of them, so that both sides may come to know and respect the rules of the game.

Moreover, the Government of the United States, through the Institute of Inter-American Affairs, is today actively engaged in carrying out large-scale and long-range programs for working with the other American governments to improve the standard of living in their countries. These programs, which are in the fields of health and sanitation, agriculture, and education, have for their objective the raising of standards to a point where the other American republics may more fully realize the opportunities of a democratic way of life. We fully realize that the attainment of this objective will also result in economic benefits to our own country, since prosperous, healthy, and literate peoples are not only better neighbors but also better customers. Also, in the field of technical cooperation we have had another program which will show increasing results as time goes on. For nearly ten years the Congress has been appropriating funds, through the Interdepartmental Committee on Scientific and Cultural Cooperation, for such cooperative purposes as the study of mineral resources and development of mining and metallurgical methods; surveys of fishery and wildlife resources; maintenance of weather stations; studies of methods of insect pest elimination and disease control; and agricultural experiment stations for research in the development and uses of various products. In no field of activity has the good-neighbor policy been demonstrated in such a concrete and constructive fashion as in these programs.

The measures which I have mentioned as contributing to the economic development of Latin America are largely of a cooperative nature. Equally important are the steps which can be taken by each country individually. The fact is sometimes overlooked that national measures can be taken which will do much to advance economic development. In fact, in many cases these should precede rather than follow efforts to obtain external cooperation in development programs. I think this is particularly true in the field of fiscal policy, but it applies elsewhere as well. To recognize this, and to state it, is not to be unsympathetic to the need of various countries for economic assistance—it is simply to keep things in proper perspective. There is a large field for inter-American economic cooperation, and there is likewise a large field for national action to make that cooperation effective.

The questions being discussed at the moment at the Habana conference bear an important relationship to the economic matters to be considered at Bogotá. While it might not seem wise to bring into the inter-American economic agreement at this stage the same issues which the American nations and others are debating at Habana, the results of the Habana conference—the degree to which it succeeds—will contribute to the success and effectiveness of the agreement to be drafted at Bogotá.

For inter-American economic cooperation to be fully effective, it must include an understanding on both principles and practices in the broad field covered by the Ito charter, including undertakings to reduce trade barriers to mutual advantage and to place trade on a nondiscriminatory and multilateral basis, the conditions under which new industries are to be protected, the joint action which should be taken to meet surplus commodity problems when they arise, and the measures to handle the problems caused by restrictive trading practices by private business organizations. At the Geneva conference during the past spring and summer, which produced the draft Ito charter now under study at Habana, there was concluded, as you know, the general agreement on tariffs and trade, the most comprehensive undertaking ever attempted in this field. Of the other American republics, Brazil, Chile, and Cuba were represented at Geneva and contributed their full share to the final success of the agreement, and during the months ahead we look forward to having all of the other American republics become parties through the negotiation of further tariff agree-
ments. The gradual widening of the scope of the general agreement among the American nations and others will of course contribute in a specific and important manner to strengthening the bases for effective inter-American and international economic cooperation.

One problem which causes considerable concern on the part of our neighbors in the Western Hemisphere is that relating to the availability of materials which are still in short supply in this country and which may become even more difficult to obtain in future months. While our industries are converted fully to peacetime activities, production of many items is still inadequate to meet our own and world requirements, and it has therefore been necessary to retain export controls on certain commodities. Through these controls our Government has attempted to protect the interests of all and to insure a fair and equitable distribution of available supplies. This will continue to be our policy even though our efforts on behalf of the European Recovery Program make some products more scarce and difficult to obtain than they have been in the past.

The European Recovery Program presents another problem bearing directly on our economic relations with Latin America. As you know, the question is frequently asked: “Is there to be a program for Latin America similar to the European Recovery Program?” The answer must be “no”, if one is thinking of a comparable short-term program. However, the European Recovery Program will very definitely affect Latin America.

The purpose of the European Recovery Program is to enable western Europe to continue to eat and work until production can be well started. The second aspect of the Recovery Program involves capital goods items, a considerable part of which will be produced by Europe itself. The fact that many types of machinery and equipment for reconstruction are similar to those needed for development and replacement purposes in Latin America—and in our own country as well—will undoubtedly contribute to accentuate the shortages to which I have previously referred. We shall endeavor to minimize the inconveniences that may result and, as I said, we shall endeavor to administer whatever export controls may be necessary with fair and equitable treatment for all.

Of particular interest to the other American republics is a statement made by Secretary Marshall to the effect that the specific proposals to be made to the Congress contemplate the use of substantial funds for purchases outside the United States of commodities not readily available in sufficient quantities in this country. In all probability, the United States will operate a very large part of its own supply program on a grant basis—that is, the commodities will be sent to Europe free of charge. While the procurement program will provide a large amount of dollars for part of the supplies from the other countries in the Western Hemisphere, they will certainly not be sufficient to cover the total sum. Obviously these dollar expenditures will directly benefit the countries concerned, at a time when European markets—or at least payment in convertible currencies—might otherwise be lacking. The availability of dollar exchange will thus help to relieve difficult foreign-exchange situations.

Thus we see that though the European Recovery Program does not apply directly to Latin America, the whole economic fabric of the world is today so closely interwoven that such a program is bound to affect vitally the people of the Western Hemisphere. From a humanitarian point of view I am sure that the countries of this Hemisphere want to support the program. Moreover,
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if the world is to be preserved from Communism their assistance is needed. And, finally, the program will restore their former markets in Europe. It is safe to say that without the restoration of these former markets there can be no permanent solution to the economic difficulties which now beset the American republics.

In addition to the economic problems on which I have touched here this evening, many other important subjects will be considered at the conference at Bogotá. These include reorganization and strengthening of the inter-American system, the general question of recognition of de facto governments, and the development and improvement of inter-American social services. The American republics will, with their traditional spirit of friendship, which was so well exemplified last summer at the conference of Rio de Janeiro, discuss these subjects with respect for one another’s opinions and with appreciation of the local problems out of which arise whatever differences of opinion may exist. Together, in mutual sympathy and understanding, they will undoubtedly reach agreement on the subjects considered by them. I anticipate that the Bogotá conference will represent another major step forward in the march of this Hemisphere toward international good-will and cooperative assistance to one another and to all countries. It is thus that a region, acting within the United Nations, can contribute immeasurably to the future well-being and peace of the entire world.

Bogotá Conference Postponed Until March 30

[Released to the press by the Pan American Union December 5]

March 30, 1948, is the new opening date set for the Ninth International Conference of American States at Bogotá, voted by the Pan American Union Governing Board on December 5. Previously scheduled to convene on January 17, the Conference is to undertake among other things a reorganization of the inter-American system and adoption of an inter-American agreement on economic cooperation.

The action was approved by all 21 member nations of the Governing Board after consultations on the change proposed December 1 by the Governments of Bolivia, Costa Rica, Cuba, Guatemala, Uruguay, and Venezuela. Their proposal cited the advisability of ascertaining the results of the Habana world trade conference in planning the economic agreement, which many delegates have cited as the most important item on the Bogotá agenda. The delegates also unanimously adopted a resolution introduced by Luis Quintanilla, Mexican Ambassador to the Pan American Union, that the new opening date be considered final and not subject to further postponement. The resolution also expressed the desire that a special economic conference be held as early as possible in the second half of 1948, as originally scheduled at the Inter-American Conference for the Maintenance of Continental Peace and Security in Rio de Janeiro in August 1947.

Panama alone considered the reason inadequate for postponement but acceded to the view of the other governments. Chile expressed her readiness to attend the meetings in January but added her willingness to do as the other countries desired. Several of the delegates emphasized the desire of their governments to accede to the wishes of Colombia as host of the Conference.

Antonio Rocha, Colombian Ambassador to the Pan American Union, explained that his Government was prepared to receive the delegates on schedule and had never asked for a postponement but that he was empowered by his Government to accept the Governing Board’s decision on the date. He stated that Colombia agreed that the development of economic cooperation among the Americas is of the utmost importance and that if the consideration of the Habana debates can aid in perfecting inter-American economic relations, this will strengthen the inter-American system.

The new date of March 30 was set to place the opening session of the Conference after the Holy Week holidays.
Renewal of Defense Agreement With Panama

[Released to the press December 10]

The United States Ambassador to Panama, Brig. Gen. Frank T. Hines, and the Acting Foreign Minister of the Republic of Panama, Francisco A. Filos, signed an agreement on December 10 on behalf of their Governments which provides for the continued use of certain sites in the territory of the Republic for the defense of the Panama Canal.

This new agreement exemplifies and continues the spirit of cooperation evidenced by Panama in the accord of May 18, 1942. Under the former agreement the Republic of Panama made available 134 areas in its national territory for use during World War II. The new accord provides for use by the United States of 13 sites, principally technical installations essential to safe aerial navigation, for a period of five years. A fourteenth site at Rio Hato, an important military air base some 70 miles west of Panama City, will be leased by the United States under terms of the agreement for a period of 10 years, with option for an additional 10 years.

The agreement signed in Panama on December 10 is the result of a lengthy study by the two Governments of lessons learned during the recent conflict relative to Canal defenses and takes into account its current and future security requirements. It is designed to insure continuous operation and effective protection of the Canal as provided in the treaty of friendship and cooperation signed by the two countries in 1936. It gives recognition to the fact that requirements of modern defense make essential the use of certain areas outside the 10-mile-wide Canal Zone for the protection of the international waterway which is so vital to the interests of the United States and Panama.

The agreement provides for the appointment by the two Governments of representatives who will jointly administer the agreement. Under terms of the accord the United States assumes authority and responsibility for all technical, military, and economic matters connected with the operation of the 14 defense sites.

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The text of the agreement was released as Department of State press release 967 of December 12, 1947.

Provisional Agreement With Mexico Modifying Trade Agreement

[Released to the press December 13]

Pending a more definitive revision of Schedule I of the trade agreement between the United States and Mexico signed December 23, 1942, the Government of Mexico has decided upon the immediate provisional conversion of the specific rates of duty on products imported into Mexico enumerated in that schedule to ad valorem or compound rates at levels equivalent to those prevailing in 1942.

The new duties, which will be promulgated by a decree to be published Monday, December 15, in the Diario Oficial (Official Gazette), will become effective five days thereafter, but the Government of Mexico has given assurance that the existing rates of duty will be applicable to all shipments actually en route from points within the United States to Mexico on the date of publication.

The United States has consented to this action in recognition of the acute need of the Government of Mexico to correct the imbalance in its trade relations with the United States and to afford a more reasonable measure of protection for Mexican industries until such time as the negotiations for a more definitive Schedule I, mentioned above, can be concluded.

Those negotiations will be undertaken immediately following the termination of the United Nations Conference on Trade and Employment now in session at Habana and will be conducted pursuant to the Trade Agreements Act and in accordance with the procedures established thereunder. The customary public notice of intention to negotiate will be issued, and interested parties will be invited to submit views to the Committee for Reciprocity Information in writing and orally at public hearings. The contemplated negotiations will include, for the present, changes in Schedule I only.
LETTER FROM ACTING SECRETARY LOVETT TO THE PRESIDENT OF THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS

[Released to the press December 9]

Text of letter dated December 9, 1947, from Robert A. Lovett, Acting Secretary of State, to Arthur Besse, President of the National Association of Wool Manufacturers

MY DEAR MR. BESSE: The receipt is acknowledged of your letter of November 20 in which you accuse the Department of State of having made wholesale reductions in United States tariffs, far beyond anything which the Congress was led to expect, under conditions providing no basis for determining the adequacy of existing tariff rates and no method of correcting possible errors except through repudiation of the Geneva agreement. This action, you state, ignores the facts of economic life.

The plainest fact of economic life today is that in addition to the necessity for sending goods for reconstruction, the greatest assistance which we can render to world economic recovery is the opening of our markets to an increased import trade so that once recovery of production begins abroad it will not be stopped by lack of markets. An increased volume of international trade and especially increased imports by the United States are essential to recovery and it is no exaggeration to say that this country's peace and security depend on that recovery.

This is not tantamount to saying that we must open our markets indiscriminately. If we had wished to do that, a great deal of time and expense might have been saved by a straight horizontal cut in our tariffs. However, that would have been a form of tariff reduction which would not have taken into account the needs of particular industries. Instead all tariff concessions were considered individually. Two years' preparatory work, here and abroad, went into elaboration of the Agreement, including seven months of negotiation at Geneva.

The past level of our import trade, and its composition, were known, and it was recognized that if this country was to avoid a repetition of the experience of the early nineteen thirties it was imperative that our future import trade be larger than ever before. That in itself constituted a basic reason for a vigorous program to reduce trade barriers. Congress was thoroughly informed of that need at the time of renewal of the Trade Agreements Act, and ample notice of the scale of negotiations contemplated was given in the publication in November 1946 of a list of products under consideration for possible tariff concessions. As for the choice of products on which to reduce duties and the criteria used in deciding upon the depth of cut to be made, the best available information was obtained. Testimony received from interested persons and material collected from governmental sources were exhaustively studied and considered by representatives from the Departments of Commerce, Agriculture, Treasury, War, Navy and State and the Tariff Commission before recommendation was made to the President in favor of any concession. Price information, war changes in industry, the international competitive situation, probable demand trends and related questions were all taken into consideration. It is beyond doubt that no previous method of United States tariff-making has ever approached the present one in the care and impartial thoroughness of consideration given to the needs of individual industries.

Though comprehensive, the Agreement is not as extensive as you indicate. Rates of duty have not been cut on items comprising 70 percent of our 1939 imports but on items comprising about 23 percent of total 1939 imports or about 56 percent of dutiable imports. Bindings affect dutiable goods making up only about six percent of total
imports or 14 percent of dutiable imports, not 20 percent as you indicate. As for items bound on the free list, most of the concessions in question were simply rebinding of items already bound free in previous trade agreements. The authority to bind existing dutiable or duty-free status is stated clearly in the Trade Agreements Act in the authority granted to the President “To proclaim . . . such continuance, and for such minimum periods, of existing customs or excise treatment of any article . . .” as is required or appropriate to carry out any trade agreement entered into under the Act. The language underscored was added to the text of the original trade agreements bill (H. R. 8430) in 1934 at the request of Assistant Secretary of State Sayre before the Ways and Means Committee (Hearings on Reciprocal Trade Agreements, 1934, page 368) for the stated purpose of removing any doubt that the Congress was giving authority to bind the existing dutiable or free customs status of any item.

Contrary to your statement that no corrective action is possible short of repudiation of the Agreement, Article XIX of the Agreement contains a safeguarding clause permitting any country to withdraw or modify concessions which cause or threaten serious injury to home producers. Whether or not it will prove necessary to use this escape clause remains to be seen, but in no event will it constitute repudiation of the General Agreement to do so.

There is no need to apologize for the bargain we have struck. Just as the concessions we have granted will have but small immediate effect in increasing our import trade in a situation in which the greatest difficulty is deficient production abroad, so the concessions we have obtained will not immediately stimulate our exports. All the goods which other countries can possibly finance are already being taken from us; restrictions will have to continue to keep foreign purchases within the limits of their dollar resources. It would not help but hinder, at this stage, to encourage the export of goods not absolutely essential abroad. The big gain is to have established a pattern of more liberal trade, to have written a definite program for gradual transition to trade in accordance with that pattern, and thus to have made certain that each nation will take into account, in its recovery planning, the ultimate prospect of full participation in international trade both as an exporting and an importing country.

As for future trends affecting trade, one fact is altogether clear. Without the assurance of the Agreement, it would have been folly for other countries to count on increased sales abroad or an increased ability to import. Hence in a real sense, immediate tariff action over a wide area was essential to the kind of recovery we want. Certainly our entire program to assist European recovery would have suffered enormously by reluctance on our part to make substantial tariff offers and it is perhaps not going too far to say that failure of the negotiations would have undermined confidence in our leadership so as to make impossible the cooperative effort for recovery now under way. Instead the distressed countries might well have concluded that their only course was to adopt stringent and far-reaching measures of state control which are being urged upon them by extremists with a view to the development of autarkic economies in preparation for inevitable trade warfare and almost inevitable armed conflict. In such a development we, both as the world’s leading trading nation and as a world power, could not fail to take enormous losses.

Sincerely yours,

Robert A. Lovett
Acting Secretary

Mr. Arthur Besse, President,
National Association of Wool Manufacturers,
386 Fourth Avenue,

Continuing Interest in Preserving a Free and Independent Italy

Statement by the President

[Released to the press by the White House December 13]

Although the United States is withdrawing its troops from Italy in fulfillment of its obligations under the treaty of peace, this country continues its interest in the preservation of a free and independent Italy. If, in the course of events, it becomes apparent that the freedom and independence of Italy upon which the peace settlement is based are being threatened directly or indirectly, the United States, as a signatory of the peace treaty and as a member of the United Nations, will be obliged to consider what measures would be appropriate for the maintenance of peace and security.

December 21, 1947
U.K. To Resume Withdrawals Against Line of Credit

PROBLEMS OF INFLATIONARY PRESSURES

[Released to the press by the Treasury Department December 6]

Secretary of the Treasury Snyder on December 6 released an exchange of letters between himself and Sir Stafford Cripps, the Chancellor of the Exchequer of the United Kingdom, whereby it is agreed that it is now appropriate for the United Kingdom to resume withdrawals against the line of credit established by the Anglo-American financial agreement of December 6, 1945.

In reviewing the events leading to this exchange of letters, Secretary Snyder recalled that withdrawals against the credit were temporarily discontinued in August on the basis of a mutual agreement between the two Governments. The action was taken simultaneously with the instituting of emergency steps by the United Kingdom to stop an unanticipated and excessive drain on her resources which followed the granting of free convertibility of sterling in July.

Secretary Snyder cautioned, however, that while progress had been made toward the working out of a satisfactory program dealing with the convertibility of sterling, the serious economic conditions existing in the world would delay for some time the restoration of full convertibility. In this connection he pointed out that there are, however, no restrictions on the convertibility of sterling held in current accounts of United States residents.

Secretary Snyder stated that the resumption of drawings against the line of credit at this time would permit the United Kingdom to continue the purchases in the United States necessary to maintain its present austerity program and hence would not add to inflationary pressures in this country.


[Released to the press by the Treasury Department December 6]

TREASURY CHAMBERS,
Great George Street,
London, S. W. 1.

4th December, 1947.

MY DEAR MR. SECRETARY: I refer to the exchange of letters of August 20, 1947, between our two Governments and to the discussions pertaining thereto whereby it was agreed that for a temporary period His Majesty’s Government would not notify any further withdrawals against the line of credit established under the Anglo-American Financial Agreement, and it was contemplated that consultation would be undertaken with respect to a constructive program which would be best calculated to achieve the objectives of the Agreement and at the same time to conserve British dollar resources in this critical period.

As you know, representatives of our two Treasuries have been in frequent consultation and considerable progress has been made toward these ends. Accordingly it now appears to me appropriate for His Majesty’s Government to resume drawings against the line of credit.

I should like to take this opportunity to reaffirm the intention of His Majesty’s Government to adhere as closely as possible to the objectives of the Agreement at all times and to implement these objectives fully at the earliest possible time.

Yours sincerely,

STAFFORD CRIPPS
Chancellor of the Exchequer

Honorable JOHN W. SNYDER,
Secretary of the Treasury,
Washington 25, D.C.

December 5, 1947.

MY DEAR CHANCELLOR: I have your letter of December 4, 1947 advising me of the desire of His Majesty’s Government to resume withdrawals against the line of credit established under the Anglo-American Agreement of December 6, 1945.
The frequent consultations between the representatives of our two Treasuries lead me to confirm your understanding that, as contemplated in the August 20 exchange of letters between our two Governments and the discussions pertaining thereto, it is now appropriate for your Government to resume drawings against the line of credit.

I am pleased to receive your reaffirmation of the intention of your Government to implement fully at the earliest possible time the principles embodied in the Anglo-American Agreement and to adhere to them as closely as possible at all times.

Sincerely yours,

JOHN W. SNYDER
Secretary of the Treasury

Right Honorable SIR STAFFORD CRIPPS, P.C., M.P.
Chancellor of the Exchequer,
Treasury Chambers,

Fact-Finding Metal Scrap Mission to Germany Established

Statement by the Assistant to the President

[Released to the press by the White House December 10]

The acute need for additional quantities of iron and steel scrap to maintain the current high volume of industrial production makes it imperative that every potential source of supply be utilized effectively.

One source of supply not to be overlooked is the war-generated scrap in Europe, particularly that owned by the United States Army in Germany. The lack of information regarding the amounts and the accessibility of this scrap has made it virtually impossible to estimate accurately the supplies which might be made available either to European or American industry from that source.

The Secretaries of State, Commerce, and the Department of the Army have agreed that a joint U.S. Government and industry mission should without delay assemble all the pertinent facts regarding supplies of U.S. Army-controlled scrap in Europe. At my request the Secretary of Commerce has invited representatives of the steel, foundry, and scrap-iron industries to serve on a Fact-Finding Metal Scrap Mission to Germany. Their task will be to appraise the supply of U.S. Government-owned scrap in Germany and report on the extent to which it is economically feasible and desirable to ship that scrap to the United States.

The Secretary of Commerce will announce the names of the members of the fact-finding mission within a few days. It is hoped the Mission can sail by the end of this month.

Bill of Rights Day, 1947

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

[Released to the press by the White House December 10]

WHEREAS the first ten amendments to the Constitution of the United States, cherished in our history as the Bill of Rights, became effective on December 15, 1791; and

WHEREAS the anniversary of the adoption of this hallowed declaration of our liberties affords a fitting occasion for rededication to its inspired and lofty principles; and

WHEREAS the Government of the United States has proposed the incorporation of these essential freedoms in a Declaration of Human Rights for all the peoples of the world:

NOW, THEREFORE, I, Harry S. Truman, President of the United States of America, do hereby designate December 15, 1947, as Bill of Rights Day; and I call upon the officials of the Government and upon all citizens of the United States to observe that day by displaying the flag of the United States on public and private buildings and on homes, and by meeting together for appropriate ceremonies.

Since to comprehend and value our liberties is the first condition of remaining free, I urge the people of the Nation to reexamine and to reflect upon the provisions of our Constitution which secure our freedom under law—particularly the guarantees of freedom of religion, speech, the press, and assembly, as well as the pledges of fair trial and of security against unreasonable searches and seizures, and against the deprivation of life, liberty, or property without due process of law.

JOHN R. STEELMAN.

Proclamation 2761 (12 Federal Register 8331).

December 21, 1947
Procedure for Filing War Claims in North Borneo

[Released to the press December 8]

In an announcement issued by the Department of State on September 16, 1947, American nationals were advised that the Borneo War Damage Claims Commission would accept for registration claims for war damage to American property in North Borneo, Brunei, and Sarawak. The Department has now been informed that the time limit for registration of claims has been extended to December 31, 1947. The address of the Commission is Jesselton, North Borneo.

The registration of claims has been undertaken by the Borneo Commission to enable the Governments of North Borneo, Sarawak, and Brunei to reach decisions as to the extent of compensation which may be granted for such war damage, but the registration and assessment of claims should not be construed as a commitment that compensation will be paid.

Finland Extended Time for Renewing Trade-Mark Registrations

The extension of time, until June 30, 1948, for renewing trade-mark registrations with respect to Finland was granted by the President in Proclamation 2759 (12 Federal Register 8223) on December 5, 1947.

Meeting of Board of Foreign Scholarships

The President's Board of Foreign Scholarships, appointed last July by President Truman to supervise student exchanges under the new Fulbright law, met on December 13 to determine methods to be used for selection of American students, teachers, and research scholars to go abroad under terms of the act.

The Fulbright law authorizes executive agreements with foreign governments under which those governments may pay in part for American overseas war surpluses with scholarships and other educational enterprises in their own countries for American students. The program is administered by the Department of State through its Division of International Exchange of Persons.

The meeting of the 10-man board had before it plans submitted by three national organizations cooperating with it in selecting those who are to study abroad under the act.

These organizations are: the Conference Board of Research Councils, covering the field of professors, specialists, and research scholars; the Institute of International Education, covering the selection of American students to study abroad; and the U.S. Office of Education, covering the selection of elementary, secondary, and junior-college teachers.

The Board also received a first-hand report from Francis J. Colligan, of the State Department's International Exchange of Persons Division, on the possibilities for Fulbright exchanges in France, England, Denmark, the Netherlands, Italy, Greece, and Czechoslovakia.

Since the Board's organization meeting in October, substantial progress has been made in putting the Fulbright law into operation. China has signed the executive agreement covering her participation in the plan, and draft agreements have been put under study by the Governments of Burma, the Philippines, Italy, New Zealand, Greece, Egypt, and Belgium with a view to their participation.

Some 22 nations are now eligible and are expected to participate in the plan, with an indication that the total amount of money to be devoted to the enterprise within the next 20 years will exceed $140,000,000.
Reservation of Source Material in Certain Lands
Owned by the United States¹

[Released to the press by the White House December 8]

By virtue of the authority vested in me as President of the United States, and in further effectuation of the policies declared by section 1 of the Atomic Energy Act of 1946 (60 Stat. 755), it is hereby ordered as follows:

1. So far as not in conflict with existing law, (a) all disposals of lands, other than public lands, heretofore or hereafter acquired by the United States or any instrumentality thereof, including lands in the Territories and possessions of the United States, except in conveyances where all minerals, including source material, are reserved to the United States, (b) all leases, permits, or other authorizations of whatever kind hereafter granted to remove minerals from such lands, and (c) all leases, permits, or other authorizations which otherwise would preclude the United States from exercising its right to enter upon the lands and prospect for, mine, and remove minerals, shall contain the following reservation:

"All uranium, thorium, and all other materials determined pursuant to section 5 (b) (1) of the Atomic Energy Act of 1946 (60 Stat. 761) to be peculiarly essential to the production of fissionable material, contained, in whatever concentration, in deposits in the lands covered by this instrument are hereby reserved for the use of the United States, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine, and remove the same, making just compensation for any damage or injury occasioned thereby. However, such land may be used, and any rights otherwise acquired by this disposition may be exercised, as if no reservation of such materials had been made; except that when such use results in the extraction of any such material from the land in quantities which may not be transferred or delivered without a license under the Atomic Energy Act of 1946, as it now exists or may hereafter be amended, such material shall be the property of the United States Atomic Energy Commission, and the Commission may require delivery of such material to it by any possessor thereof after such material has been separated as such from the ores in which it was contained. If the Commission requires the delivery of such material to it, it shall pay to the person mining or extracting the same, or to such other person as the Commission determines to be entitled thereto, such sums, including profits, as the Commission deems fair and reasonable for the discovery, mining, development, production, extraction, and other services performed with respect to such material prior to such delivery, but such payment shall not include any amount on account of the value of such material before removal from its place of deposit in nature. If the Commission does not require delivery of such material to it, the reservation hereby made shall be of no further force or effect."

2. The reservation required by paragraph 1 above need not be included in any disposition of land which is not in excess of one acre and which is devoted primarily to a residential use.

3. Executive Order No. 9701 of March 4, 1946, entitled "Providing for the Reservation of Rights to Fissionable Materials in Lands Owned by the United States", is hereby revoked; but such revocation shall not be construed to affect the revocation of Executive Order No. 9613 made by Executive Order No. 9701 or the provisions contained therein with respect to the lands released from withdrawal by the revocation of Executive Order No. 9613.

THE WHITE HOUSE
December 5, 1947

¹ Ex. Or. 9908 (12 Federal Register 8223).
LETTER FROM DIRECTOR OF OFFICE OF CONTROLS TO CHIEF CORRESPONDENT
OF NEW YORK "HERALD TRIBUNE"

[Released to the press December 10]

Text of letter dated December 8, 1947, from Hamilton Robinson, Director, Office of Controls, Department of State, to Bert Andrews of the New York Herald Tribune

My Dear Mr. Andrews: Your letter of November 21, 1947, has been given careful study by the Department and I have been authorized by the Acting Secretary of State to give the following replies to your questions. In order to permit ready analysis, I quote a portion of your letter, including the questions, with the Department's position stated in answer to each question:

"There is still uncertainty in the minds of some observers as to the exact meaning of the State Department's statement of November 17 concerning the right of appeal of men dismissed in the future for security reasons."

"I would appreciate it very much if you would clarify the matter for me."

"The concluding sentence of the statement says:"

"'Furthermore, in view of the great importance which the Department attaches to the right of appeal for its employees, it is taking all steps to insure that its employees will have the right of appeal to the Loyalty Review Board in the future.'"

"Does this mean:"

"1. That all such future cases will be handled under the procedure of the President's order establishing the Loyalty Review Board within the Civil Service Commission rather than under the terms of the McCarran Rider?"

Answer: All cases in which an officer or employee is charged with being disloyal, or is recommended for dismissal on grounds relating to loyalty and in which the Loyalty Review Board will take jurisdiction, will be referred before dismissal to that Board for an advisory recommendation. It must be understood, however, that cases may arise in which, notwithstanding a reference to the Loyalty Review Board and a recommendation by that Board entirely favorable to the employee's loyalty, the Department will feel obliged, for security reasons, to take action under the McCarran Rider or other appropriate authority. It would not be intended by a reference of such a case to the Loyalty Review Board to prejudice this right of the Department, but rather to give to the employee every opportunity to establish affirmatively his loyalty.

In cases in which the Loyalty Review Board will not take jurisdiction, the Department may take action under the McCarran Rider in accordance with the procedures of its own Personnel Security Board, which give the same protection to the individual within the Department as is provided by the Executive Order. Since in most such cases no appeal outside the Department would exist, the employee would ordinarily be permitted to resign without prejudice.

The Department is seeking clarification as to the specific types of cases which the Loyalty Review Board will consider under the provisions of Executive Order 9835 with the objective of providing for its review in as many cases as possible.
“2. Will accused employees be given a statement of charges and representation by counsel?”

Answer: Yes.

“3. Since appeal to the Loyalty Review Board is specifically permitted, will the State Department furnish that body with all information in its files, whether gathered by the Department or other agencies such as the Federal Bureau of Investigation, pertinent to the accusations against the employee?”

Answer: Yes.

“4. Will the State Department permit the Loyalty Review Board, at its discretion, to make known any information it sees fit regarding charges and supporting evidence?”

Answer: In his press statement on November 5, 1947, General Marshall stated:

“The Department will make available to the Commission or to the Board its files with respect to any employee appealing to the Commission or to the Board. Any information in that file fully under the control of the Department may be made available to the employee as specific charges. Security clearance of any other material in the file will be the responsibility of the Commission or the Board.”

“5. Should the Loyalty Review Board reverse the decision of the State Department in a security case, will the State Department restore the employee to his or her old job?”

Answer: The State Department will accept the recommendation of the Loyalty Review Board insofar as the employee’s loyalty is concerned, but reserves the right to determine for itself whether or not, for security reasons, the employee is to continue in his old job.

I hope that the foregoing will provide clarification of the questions which you raised.

Sincerely yours,

HAMILTON ROBINSON
Director, Office of Controls

Bert Andrews,
Chief Correspondent,
New York Herald Tribune,
National Press Building,
Washington, D.C.

December 21, 1947

Dillon S. Myer Appointed President of IIAA

The Acting Secretary of State announced on December 11 the appointment of Dillon S. Myer as president of the Institute of Inter-American Affairs, effective on or before January 1, 1948, by action of its Board of Directors. Mr. Myer is retiring as Commissioner of the Public Housing Administration, a post that he has held since August 1946.

The Institute of Inter-American Affairs, a U.S. Government corporation under the Department of State, is charged with carrying out cooperative programs between the Government of the United States and the governments of the other American republics in the fields of health and sanitation, food supply, and education. It was created on March 31, 1942, under the auspices of the Coordinator of Inter-American Affairs and transferred to the Department of State on May 20, 1946, when the Office of the Coordinator went out of existence.

Mr. Myer will replace Col. Arthur R. Harris, whose resignation was accepted by the Board of Directors.

Letters of Credence

Burma

The newly appointed Ambassador of Burma, So Nyun, presented his credentials to the President on December 10, 1947. For texts of the Ambassador’s remarks and the President’s reply, see Department of State press release 958 of December 10, 1947.

Sweden

The newly appointed Ambassador of Sweden, Herman Eriksson, presented his credentials to the President on December 9, 1947. For texts of the Ambassador’s remarks and the President’s reply, see Department of State press release 954 of December 9, 1947.

Closed Area Under the Migratory Bird Treaty Act

Proclamation 2758 (12 Federal Register 8039), designating as closed area certain lands and waters within, adjacent to, or in the vicinity of the Sanibel National Wildlife Refuge, Florida, was issued by the President on December 2, 1947.
Current United Nations Documents: A Selected Bibliography

**Economic and Social Council**


**General Assembly**


**Security Council**


— No. 37, 130th and 131st meeting, 18 April 1947. 43 pp. printed [40¢].

— No. 38, 132nd meeting, 30 April 1947. 13 pp. printed [10¢].

— No. 39, 133rd meeting, 12 May 1947. 16 pp. printed [20¢].

— Supplement No. 7. 6 pp. printed [10¢].

— Supplement No. 8. 6 pp. printed [10¢].

— Supplement No. 9. 3 pp. printed [10¢].

**Department of Public Information, Research Section**


**Publications: Department of State**

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.


Agreement between the United States of America and Ecuador—Signed at Quito January 8, 1947; entered into force April 24, 1947.


Agreement between the United States of America and Lebanon—Signed at Beirut August 11, 1946; entered into force definitively April 23, 1947.


Agreement between the United States of America and the Union of South Africa and agreement effected by exchange of notes—Signed at Cape Town May 23, 1947; entered into force May 23, 1947.


The importance of European revival, including the restoration of German production, to the well-being of the United States and the rest of the world.

*Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.*

Department of State Bulletin
THE RECORD OF THE WEEK

Foreign Commerce Weekly

The following article of interest to readers of the Bulletin appeared in the December 6, 1947, issue of Foreign Commerce Weekly, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 15 cents each:


Agriculture in the Americas

The following article of interest to readers of the Bulletin appeared in the December 1947 issue of Agriculture in the Americas, a monthly publication of the Department of Agriculture, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Quinoa—Ancient Food Crop in South America", by Hugo W. Alberts, agricultural attaché, American Consulate General, Guayaquil, Ecuador.

THE FOREIGN SERVICE

Consular Offices

The American Consulate at Taipei (Taihoku), Taiwan (Formosa), was raised to the rank of Consulate General on November 22, 1947.

Confirmations

On December 8, 1947, the Senate confirmed the following nominations:

To be American Ambassadors Extraordinary and Plenipotentiary to the countries indicated: Walter J. Donnelly, to Venezuela; H. Freeman Matthews, to Sweden; Paul H. Alling, to Pakistan; Nathaniel P. Davis, to Costa Rica; J. Klahr Huddle, to Burma.

To be American Envoys Extraordinary and Ministers Plenipotentiary to the countries indicated: Donald R. Heath, to Bulgaria; James Hugh Keeley, Jr., to the Republic of Syria.

Congress—Continued from page 1213

H. Res. 296, a resolution creating a special committee on foreign aid. H. Rept. 1148, 80th Cong., 1st sess. iii, 10 pp.

Oil Requirements and Availability. Preliminary Report Five of the House Select Committee on Foreign Aid, pursuant to H. Res. 296, a resolution creating a special committee on foreign aid. H. Rept. 1149, 80th Cong., 1st sess. iii, 10 pp.

United States Steel Requirements and Availability as They Affect European Needs for Interim Aid. Preliminary Report Six of the House Select Committee on Foreign Aid, pursuant to H. Res. 296, a resolution creating a special committee on foreign aid. H. Rept. 1150, 80th Cong., 1st sess. iii, 15 pp.

Coal Requirements and Availability. Preliminary Report Seven of the House Select Committee on Foreign Aid, pursuant to H. Res. 296, a resolution creating a special committee on foreign aid. H. Rept. 1151, 80th Cong., 1st sess. iii, 14 pp.

Assistance to Greece and Turkey. Communication from the President of the United States transmitting First Report to Congress on Assistance to Greece and Turkey, for the Period Ended September 30, 1947. H. Doc. 440, 80th Cong., 1st sess. v, 53 pp. [Department of State publication 2957.]


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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.

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FOREIGN AID AND RECONSTRUCTION

A Program for United States Aid to European Recovery

THE PRESIDENT'S MESSAGE TO THE CONGRESS
December 19, 1947

To the Congress of the United States:

A principal concern of the people of the United States is the creation of conditions of enduring peace throughout the world. In company with other peace-loving nations, the United States is striving to insure that there will never be a World War III. In the words of the Charter of the United Nations, we are "determined to save succeeding generations from the scourge of war."

We seek lasting peace in a world where freedom and justice are secure and where there is equal opportunity for the economic well-being of all peoples.

To this end, the United States played a leading role in the founding of the United Nations. We have supported that organization at all times to the best of our ability and we have advanced a number of proposals for increasing its effectiveness in maintaining peace and security and in establishing the economic, social and moral foundations of peace.

We are working in the United Nations toward the limitation and control of armaments and, in a step without precedent or parallel, have offered to place our most powerful weapon under international control provided that other nations agree to effective and enforceable safeguards against its use for destructive purposes.

The United States, in the conviction that a prerequisite to peace in the future is the just settlement of past differences, has labored to obtain fair and workable treaties of peace for former enemy states so that they may resume their places in the family of nations.

The United States has taken the lead in worldwide efforts to promote industrial and agricultural reconstruction and a revival of world commerce, for we know that enduring peace must be based upon increased production and an expanding flow of goods and materials among nations for the benefit of all.

December 28, 1947

Since the surrender of the Axis powers, we have provided more than $15 billion, in the form of grants and loans, for aid to victims of the war, to prevent starvation, disease, and suffering; to aid in the restoration of transportation and communications; and to assist in rebuilding war-devastated economies. This assistance has averted stark tragedy and has aided progress toward recovery in many areas of the world.

In these and many other ways, the people of the United States have abundantly demonstrated their desire for world peace and the freedom and well-being of all nations.

We must now make a grave and significant decision relating to our further efforts to create the conditions of peace. We must decide whether or not we will complete the job of helping the free nations of Europe to recover from the devastation of the war. Our decision will determine in large part the future of the people of that continent. It will also determine in large part whether the free nations of the world can look forward with hope to a peaceful and prosperous future as independent states, or whether they must live in poverty and in fear of selfish totalitarian aggression.

Interest of the United States in European Recovery

It is of vital importance to the United States that European recovery be continued to ultimate success. The American tradition of extending a helping hand to people in distress, our concern for the building of a healthy world economy which can make possible ever-increasing standards of living for our people, and our overwhelming concern for the maintenance of a civilization of free men and free institutions, all combine to

1 Released to the press by the White House Dec. 19.
FOREIGN AID AND RECONSTRUCTION

give us this great interest in European recovery.

The people of the United States have shown, by generous contributions since the end of hostilities, their great sympathy and concern for the many millions in Europe who underwent the trials of war and enemy occupation. Our sympathy is undiminished, but we know that we cannot give relief indefinitely, and so we seek practical measures which will eliminate Europe's need for further relief.

Considered in terms of our own economy, European recovery is essential. The last two decades have taught us the bitter lesson that no economy, not even one so strong as our own, can remain healthy and prosperous in a world of poverty and want.

In the past, the flow of raw materials and manufactured products between Western Europe, Latin America, Canada and the United States has integrated these areas in a great trading system. In the same manner, Far Eastern exports to the United States have helped pay for the goods shipped from Europe to the Far East. Europe is thus an essential part of a world trading network. The failure to revive fully this vast trading system, which has begun to function again since the end of the war, would result in economic deterioration throughout the world. The United States, in common with other nations, would suffer.

Our deepest concern with European recovery, however, is that it is essential to the maintenance of the civilization in which the American way of life is rooted. It is the only assurance of the continued independence and integrity of a group of nations who constitute a bulwark for the principles of freedom, justice and the dignity of the individual.

The economic plight in which Europe now finds itself has intensified a political struggle between those who wish to remain free men living under the rule of law and those who would use economic distress as a pretext for the establishment of a totalitarian state.

The next few years can determine whether the free countries of Europe will be able to preserve their heritage of freedom. If Europe fails to recover, the peoples of these countries might be driven to the philosophy of despair—the philosophy which contends that their basic wants can be met only by the surrender of their basic rights to totalitarian control.

Such a turn of events would constitute a shattering blow to peace and stability in the world. It might well compel us to modify our own economic system and to forego, for the sake of our own security, the enjoyment of many of our freedoms and privileges.

It is for these reasons that the United States has so vital an interest in strengthening the belief of the people of Europe that freedom from fear and want will be achieved under free and democratic governments.

Origins of the European Recovery Program

The end of the fighting in Europe left that continent physically devastated and its economy temporarily paralyzed. The immediate problem was to prevent widespread starvation and disease and to make a start toward economic recovery. In the first year and a half after V-E day, the people of Western Europe, by their own diligent efforts and with the aid of the United States and other nations, made remarkable progress toward these objectives.

At the beginning of 1947, however, they were still short of the goal of economic recovery. Their difficulties were greatly increased during the present year, chiefly by a bitter winter followed by floods and droughts, which cut Western Europe's grain crop to the lowest figure in generations and hampered production of many other products.

Nevertheless, it was clear by last spring that Europe had achieved sufficient political and economic stability to make possible an overall plan for recovery.

European recovery is essentially a problem for the nations of Europe. It was therefore apparent that it could not be solved, even with outside aid, unless the European nations themselves would find a joint solution and accept joint responsibility for its execution. Such a cooperative plan would serve to release the full productive resources of Europe and provide a proper basis for measuring the need and effectiveness of further aid from outside Europe, and in particular from the United States.

These considerations led to the suggestion by the Secretary of State on June 5, 1947, that further help from the United States should be given only after the countries of Europe had agreed upon their
basic requirements and the steps which they would take in order to give proper effect to additional aid from us.

In response to this suggestion, representatives of sixteen European nations assembled in Paris in July, at the invitation of the British and French Governments, to draw up a cooperative program of European recovery. They formed a Committee of European Economic Cooperation. The countries represented were: Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey and the United Kingdom. Although Western Germany was not formally represented on the Committee, its requirements as well as its ability to contribute to European economic recovery were considered by the Committee.

The Recovery Program Proposed by the European Countries

The report of the European Committee was transmitted to the Government of the United States late in September. The report describes the present economic situation of Europe and the extent to which the participating countries can solve their problem by individual and joint efforts. After taking into account these recovery efforts, the report estimates the extent to which the sixteen countries will be unable to pay for the imports they must have.

The report points out that the peoples of Western Europe depend for their support upon international trade. It has been possible for some 270 million people, occupying this relatively small area, to enjoy a good standard of living only by manufacturing imported raw materials and exporting the finished products to the rest of the world. They must also import foodstuffs in large volume, for there is not enough farm land in Western Europe to support its population even with intensive cultivation and with favorable weather. They cannot produce adequate amounts of cotton, oil and other raw materials. Unless these deficiencies are met by imports, the productive centers of Europe can function only at low efficiency, if at all.

In the past these necessary imports were paid for by exports from Europe, by the performance of services such as shipping and banking, and by income from capital investments abroad. All these elements of international trade were so badly disrupted by the war that the people of Western Europe have been unable to produce in their own countries, or to purchase elsewhere, the goods essential to their livelihood. Shortages of raw materials, productive capacity, and exportable commodities have set up vicious circles of increasing scarcities and lowered standards of living.

The economic recovery of Western European countries depends upon breaking through these vicious circles by increasing production to a point where exports and services can pay for the imports they must have to live. The basic problem in making Europe self-supporting is to increase European production.

The sixteen nations presented in their report a recovery program designed to enable them, and Western Germany, to become economically self-supporting within a period of four years and thereafter to maintain a reasonable minimum standard of living for their people without special help from others. The program rests upon four basic points:

(1) A strong production effort by each of the participating countries.
(2) Creation of internal financial stability by each country.
(3) Maximum and continuing cooperation among the participating countries.
(4) A solution of the problem of the participating countries’ trading deficit with the American continents, particularly by increasing European exports.

The nations represented on the European Committee agreed at Paris to do everything in their power to achieve these four aims. They agreed to take definite measures leading to financial, economic and monetary stability, the reduction of trade barriers, the removal of obstacles to the free movement of persons within Europe, and a joint effort to use their common resources to the best advantage.

These agreements are a source of great encouragement. When the representatives of sixteen sovereign nations, with diverse peoples, histories and institutions, jointly determine to achieve closer economic ties among themselves and to break away from the self-defeating actions of narrow nationalism, the obstacles in the way of recovery appear less formidable.

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FOREIGN AID AND RECONSTRUCTION

The report takes into account the productive capacities of the participating nations and their ability to obtain supplies from other parts of the world. It also takes into account the possibilities of obtaining funds through the International Bank for Reconstruction and Development, through private investment, and in some instances by the sale of existing foreign assets. The participating countries recognized that some commodities, particularly food, will remain scarce for years to come, and the diet they have set as their goal for 1951 is less adequate in most cases than their pre-war diet. The report assumes that many countries will continue restrictions on the distribution of shortage items such as food, clothing and fuel.

When all these factors had been considered, the European Committee concluded that there will still be a requirement for large quantities of food, fuel, raw materials and capital equipment for which the financial resources of the participating countries will be inadequate. With successful execution of the European recovery program, this requirement will diminish in each of the four years ahead, and the Committee anticipated that by 1952 Europe could again meet its needs without special aid.

Appraisal of the European Problem

The problem of economic recovery in Western Europe is basically of the character described in the report of the sixteen nations. A successful European recovery program will depend upon two essentials. The first is that each nation separately and all the nations together should take vigorous action to help themselves. The second essential is that sufficient outside aid should be made available to provide the margin of victory for the recovery program.

The necessary imports which the sixteen countries cannot finance without assistance constitute only a small proportion, in terms of value, of their total national production—some 5 per cent over the four years of the program. These imports, however, are of crucial importance in generating recovery. They represent the difference between ever-deepening stagnation and progressive improvement.

Most of the necessary outside aid, if it is to come at all, must come from the United States. It is a simple fact that we are the only nation with sufficient economic strength to bridge the temporary gap between minimum European needs and war-diminished European resources.

We expect that other countries which have it within their power will also give what assistance they can to Europe. Canada, for example, has been lending assistance to Europe fully as great in proportion to its capacity as that which we have given. We also expect that the international institutions, particularly the International Bank, will provide such assistance as they can within their charters. But the fact remains—that the United States can provide the bulk of the aid needed by Europe over the next four years.

It is necessarily a complex and difficult task to determine the extent and nature of this aid.

In some respects, the situation has changed significantly since the report of the sixteen countries was completed. Some of these changes have been unfavorable, including price increases in the United States and other countries where Europe makes purchases, a serious drought in Europe, and aggressive activities by communists and communist-inspired groups aimed directly at the prevention of European recovery.

There have also been favorable changes. In the last few months coal production in the Ruhr district of Western Germany has increased from 230,000 tons a day to 290,000 tons a day. Similarly, coal production in the United Kingdom has risen markedly in recent weeks. Iron and steel production has correspondingly increased. Such increases in production, which lie at the heart of industrial recovery, are of far-reaching importance.

Further changes in the situation, now unpredictable, are to be expected as European recovery progresses.

All our plans and actions must be founded on the fact that the situation we are dealing with is flexible and not fixed, and we must be prepared to make adjustments whenever necessary.

Weather conditions will largely determine whether agricultural goals can be met.

Political events in Europe and in the rest of the world cannot be accurately foreseen. We must not be blind to the fact that the communists have announced determined opposition to any effort to help Europe get back on its feet. There will unquestionably be further incitements to strike, not for the purpose of redressing the legitimate grievances of particular groups, but for the purpose
of bringing chaos in the hope that it will pave the way for totalitarian control.

On the other hand, if confidence and optimism are reestablished soon, the spark they provide can kindle united efforts to a degree which would substantially accelerate the progress of European recovery.

Despite these many imponderables, the dimensions of the necessary assistance by the United States can now be determined within reasonable limits. We can evaluate the probable success of a bold concept of assistance to the European economy. We can determine the principles upon which American aid should be based. We can estimate the probable magnitude of the assistance required and judge whether we can, safely and wisely, provide that assistance.

Extensive consideration has been given to these problems. Congressional committees and individual Members of the Congress have studied them at home and abroad during the recent Congressional recess. The report of the European nations has been carefully analyzed by officials of our Government. Committees of the Executive Branch and a group of distinguished private citizens have given their best thought to the relationship between Europe's needs and our resources.

Program for United States Aid

In the light of all these factors, an integrated program for United States aid to European recovery has been prepared for submission to the Congress.

In developing this program, certain basic considerations have been kept in mind:

First, the program is designed to make genuine recovery possible within a definite period of time, and not merely to continue relief indefinitely.

Second, the program is designed to insure that the funds and goods which we furnish will be used most effectively for European recovery.

Third, the program is designed to minimize the financial cost to the United States, but at the same time to avoid imposing on the European countries crushing financial burdens which they could not carry in the long run.

Fourth, the program is designed with due regard for conserving the physical resources of the United States and minimizing the impact on our economy of furnishing aid to Europe.

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to June 30, 1949, should be made in time for the program to be put into effect by April 1, 1948. Appropriations for the later years should be considered subsequently by the Congress on an annual basis.

The funds we make available will enable the countries of Europe to purchase goods which will achieve two purposes—to lift the standard of living in Europe closer to a decent level, and at the same time to enlarge European capacity for production. Our funds will enable them to import grain for current consumption, and fertilizer and agricultural machinery to increase their food production. They will import fuel for current use, and mining machinery to increase their coal output. In addition they will obtain raw materials, such as cotton, for current production, and some manufacturing and transportation equipment to increase their productive capacity.

The industrial goods we supply will be primarily to relieve critical shortages at a few strategic points which are now curtailing the great productive powers of Europe’s industrial system.

The fundamental objective of further United States aid to European countries is to help them achieve economic self-support and to contribute their full share to a peaceful and prosperous world. Our aid must be adequate to this end. If we provide only half-hearted and half-way help, our efforts will be dissipated and the chances for political and economic stability in Europe are likely to be lost.

Insuring Proper Use of United States Aid

A second basic consideration with regard to this program is the means by which we can insure that our aid will be used to achieve its real purposes—that our goods and our dollars will contribute most effectively to European recovery. Appropriate agreements among the participating countries and with the United States are essential to this end.

At the Paris conference the European nations pledged themselves to take specific individual and cooperative actions to accomplish genuine recovery. While some modification or amplification of these pledges may prove desirable, mutual undertakings of this nature are essential. They will give unity of purpose and effective coordination to the endeavors of the peoples of the sixteen nations.

In addition, each of the countries receiving aid will be expected to enter into an agreement with the United States affirming the pledges which it has given to the other participating countries, and making additional commitments.

Under these agreements, each country would pledge itself to take the following actions, except where they are inapplicable to the country concerned:

1. To promote increased industrial and agricultural production in order to enable the participating country to become independent of abnormal outside economic assistance.

2. To take financial and monetary measures necessary to stabilize its currency, establish or maintain a proper rate of exchange, and generally to restore or maintain confidence in its monetary system.

3. To cooperate with other participating countries to reduce barriers to trade among themselves and with other countries, and to stimulate an increasing interchange of goods and services.

4. To make efficient use, within the framework of a joint program for European recovery, of the resources of the participating country, and to take the necessary steps to assure efficient use in the interest of European economic recovery of all goods and services made available through United States aid.

5. To stimulate the production of specified raw materials, as may be mutually agreed upon, and to facilitate the procurement of such raw materials by the United States for stockpiling purposes from the excess above the reasonable domestic usage and commercial export requirements of the source country.

6. To deposit in a special account the local currency equivalent of aid furnished in the form of grants, to be used only in a manner mutually agreed between the two governments.

7. To publish domestically and to furnish to the United States appropriate information concerning the use made of our aid and the progress made under the agreements with other participating countries and with the United States.

The United States will, of course, retain the right to determine whether aid to any country is to be continued if our previous assistance has not been used effectively.

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Financial Arrangements

A third basic consideration in formulating the program of United States aid relates to the financial arrangements under which our aid is to be provided.

One of the problems in achieving the greatest benefit from United States aid is the extent to which funds should be made available in the form of grants as contrasted with loans. It is clear that we should require repayment to the extent that it is feasible and consistent with the objectives of the program, in order that no unnecessary burden be imposed upon the people of the United States. It is equally clear that we should not require repayment where it would impose paralyzing financial obligations on the people of Europe and thus defeat the basic purpose of making Europe self-supporting.

Recovery for Europe will not be achieved until its people are able to pay for their necessary imports with foreign exchange obtained through the export of goods and services. If they were to have additional burdens to bear in the form of interest and amortization payments in future years, they would have to plan for an even higher level of exports to meet these obligations. This would necessarily increase the requirements of the recovery program, and delay the achievement of economic stability.

It is also important that an increasing portion of the financial needs of Europe be met by dollar loans from the International Bank, and by the revival of private financing. This prospect would be seriously jeopardized if the United States, as part of the recovery program, were to impose all that the traffic will bear in the form of debt obligations.

I recommend that our aid should be extended partly in the form of grants and partly in the form of loans, depending primarily upon the capacity of each country to make repayments, and the effect of additional international debt upon the accomplishment of genuine recovery. No grants should be made to countries able to pay cash for all imports or to repay loans.

At a later date it may prove desirable to make available to some of the European countries special loans to assist them in attaining monetary stability. I am not now requesting authorization for such loans, since it is not possible at this time to determine when or to what extent such loans should be made.

As economic conditions in Europe improve and political conditions become more stable, private financing can be expected to play an increasingly important role. The recommended program of United States aid includes provisions to encourage private financing and investments.

Impact of the United States Economy

A fourth basic consideration is the effect of further aid for Europe upon the physical resources of the United States and upon our economy.

The essential import requirements of the 270 million people of Western Europe cover a wide range of products. Many of these requirements can be met by the United States and other countries without substantial difficulty. However, a number of the commodities which are most essential to European recovery are the same commodities for which there is an unsatisfied demand in the United States.

Sharing these commodities with the people of Europe will require some self-denial by the people of the United States. I believe that our people recognize the vital importance of our aid program and are prepared to share their goods to insure its success.

While the burden on our people should not be ignored or minimized, neither should it be exaggerated. The program of aid to Europe which I am recommending is well within our capacity to undertake.

Its total cost, though large, will be only about five percent of the cost of our effort in the recent war.

It will cost less than three percent of our national income during the life of the program.

As an investment toward the peace and security of the world and toward the realization of hope and confidence in a better way of life for the future, this cost is small indeed.

A committee under the chairmanship of the Secretary of the Interior was appointed last summer to study the effect of a foreign aid program upon the natural resources of our country. Its study has shown that our resources can safely meet the demands of a program such as I am now recommending. Such demands could not, however, be supplied indefinitely. Our program of aid to Europe recognizes this fact. Our exports to Europe will decrease during the succeeding years.
FOREIGN AID AND RECONSTRUCTION

of the program as trade is revived along realistic patterns which will make available from other sources an increasing share of Europe's requirements.

Actually, our position with respect to some raw materials of which we have inadequate domestic resources will be improved since, under our program of aid to Europe, an increased amount of these materials will be made available to us.

During recent months the Council of Economic Advisers made an intensive study of the impact of foreign aid on our domestic economy. The Council concluded that a program of the size now contemplated is well within our productive capacity and need not produce a dangerous strain on our economy.

At the same time, a group of distinguished private citizens under the chairmanship of the Secretary of Commerce considered the extent and nature of foreign aid which the United States can and should provide. The conclusion of this group was that a program of the scope I am recommending is a proper, wise and necessary use of United States resources.

The reports submitted to me by the Council of Economic Advisers and the committees under the chairmanship of the Secretary of the Interior and the Secretary of Commerce all emphasized that specific measures should be taken to prevent our foreign aid program from imposing unnecessary burdens on our economy.

If the United States were to supply from its own production all the essential commodities needed to meet European requirements, unnecessary scarcities and unnecessary inflationary pressures would be created within our economy. It is far wiser to assist in financing the procurement of certain of these commodities from other countries, particularly the other food-producing countries in the Western Hemisphere. The funds we make available to aid European recovery therefore should not be restricted to purchases within the United States.

Under the proposed program of aid to Europe, the total exports to the whole world from this country during the next year are expected to be no greater than our total exports during the past twelve months.

This level of exports will nevertheless have an important impact on our markets. The measures I have already proposed to the Congress to fight general domestic inflation will be useful, as well, in cushioning the impact of the European aid program.

The effect of aid to Europe upon our economy, as well as its financial cost, will be significantly affected by the arrangements we make for meeting shipping requirements.

The interest of the United States will be served best by permitting the sale or temporary transfer of some of our war-built merchant ships to the European countries. Because of world steel shortages, the sale or temporary transfer of ships should be linked with a reduction or deferment of the projected shipbuilding schedules of the participating countries. These arrangements should be consistent with their long-range merchant marine requirements. They should also be consistent with our long-range objectives of maintaining an adequate merchant marine and shipbuilding industry for the United States.

Making these vessels available to the European countries will materially reduce the cost of United States aid both by lowering shipping costs and by reducing the use of scarce materials for new ship construction overseas.

Relationship to Other International Questions

A fifth basic consideration is the relationship of our aid to the European recovery program to other international questions.

I have already mentioned that the requirements and resources of Western Germany were included in the considerations of the sixteen countries at Paris. Our program of United States aid also includes Western Germany.

The productive capacity of the highly industrialized areas of Western Germany can contribute substantially to the general cooperative effort required for European recovery. It is essential that this productive capacity be effectively utilized, and it is especially important that the coal production of the Ruhr continue to increase rapidly.

Every precaution must of course be taken against a resurgence of military power in Germany. The United States has made clear on many occasions its determination that Germany shall never again threaten to dominate Europe or endanger the peace of the world. The inclusion of
Western Germany in the European recovery program will not weaken this determination.

As an occupying power in Western Germany, the United States has a responsibility to provide minimum essentials necessary to prevent disease and unrest. Separate appropriations will be requested for this purpose for the period through June 30, 1949.

Above this minimum level, amounts needed to assist in the rehabilitation of Western Germany are included in the over-all estimates for aid to European recovery.

Another significant area of the world which has been considered in developing the recovery program is Eastern Europe. A number of the governments of Eastern Europe which were invited to participate in the work of the Paris Conference on Economic Cooperation chose not to do so. Their failure to join in the concerted effort for recovery makes this effort more difficult and will undoubtedly prolong their own economic difficulties.

This should not, however, prevent the restoration of trade between Eastern and Western Europe to the mutual advantage of both areas. Both the report of the sixteen nations and the program now submitted to the Congress are based on the belief that over the next few years the normal pattern of trade between Eastern and Western Europe will be gradually restored. As this restoration of trade is achieved, the abnormal demands on the Western Hemisphere, particularly for food and fuel, should diminish.

The relationship between this program and the United Nations deserves special emphasis because of the central importance in our foreign policy of support of the United Nations. Our support of European recovery is in full accord with our support of the United Nations. The success of the United Nations depends upon the independent strength of its members and their determination and ability to adhere to the ideals and principles embodied in the Charter. The purposes of the European recovery program are in complete harmony with the purposes of the Charter—to insure a peaceful world through the joint efforts of free nations. Attempts by any nation to prevent or sabotage European recovery for selfish ends are clearly contrary to these purposes.

It is not feasible to carry out the recovery pro-

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economic stability as a basis for recovery in the Far East. Extensive study has been given during the last few months to the means by which we might best aid in meeting the special needs for relief and rehabilitation in China. I expect to make recommendations on that subject to the Congress during its next session.

Administrative Arrangements

I have set forth several basic considerations which should govern our aid to the recovery of Europe. One further consideration which vitally affects all the others is the necessity for effective administrative arrangements adapted to the particular requirements of the program. If the work to be done is not well organized and managed, the benefits of our aid could be largely dissipated.

The administration of our aid will involve the performance of several major functions. The needs of the participating countries must be reviewed in close cooperation with them. Continued relationships must be maintained with the United Nations and with an organization of the participating nations. The requirements for each commodity or service under the program must be carefully evaluated in relation to United States supplies and domestic needs and to the resources of other nations which can help. Decisions must be reached as to the best means of supplying aid and the conditions of aid for each country. Assistance must be given to facilitate the procurement, transportation, and efficient use of goods. A constant review must be maintained over the use of our aid and the execution of agreements. The results of the program must be evaluated and reported to all concerned—the President, the Congress, and the people.

While these activities are complex, they are not comparable in magnitude or in character to our wartime supply activities. Under this program, most of the operations can be carried out through private channels and existing Government agencies.

Nevertheless, the scope and importance of the program warrant the creation of a new organization to provide central direction and leadership. I therefore recommend the establishment of a new and separate agency, the Economic Cooperation Administration, for this purpose. It should be headed by an Administrator, appointed by the President and directly responsible to him. The Administrator should be subject to confirmation by the Senate.

The Economic Cooperation Administration will sponsor the European aid requirements as they are reviewed and adjusted, with other governmental agencies, to form a practical program in the light of available supplies and capacities. The Economic Cooperation Administration will be responsible for initiating the approved program project by project and nation by nation and for regulations as to supervision, cooperative assistance, and other policy matters which will guide the program at every point. In keeping with the importance and nature of its task, the new agency should have flexibility in the determination of operating methods, the use of funds, and the hiring of key personnel.

The relationship of the Economic Cooperation Administration to the existing governmental establishment is of crucial importance. In the determination of programs for the several countries, the assessment of individual projects, and many other matters involving our activities abroad, the Economic Cooperation Administration must work closely with the Department of State. Similarly, on many actions affecting our domestic economy the Administration must work with, rather than supplant, existing agencies. For example, the Department of Agriculture should be relied upon for any required government action in the procurement and allocation of food, and the Department of Commerce for the allocation of certain other commodities in short supply, and for continued administration of export controls. The facilities of these agencies will in some cases need to be strengthened, but no major changes in governmental organization to perform important domestic functions will be required.

Under these circumstances, I expect that the Economic Cooperation Administration will need only a small staff. No vast new agency or corporation is needed to perform functions for which government facilities now exist.

It is essential to realize that this program is much more than a commercial operation. It represents a major segment of our foreign policy. Day in and day out its operations will affect and be affected by foreign policy judgments. We shall be dealing with a number of countries in which there are complex and widely varying economic and political situations. This program will affect
our relationships with them in matters far beyond the outline of the program itself. Its administration must therefore be fully responsive to our foreign policy. The Administrator must be subject to the direction of the Secretary of State on decisions and actions affecting our foreign policy.

The United States activities in Europe under the program will constitute essentially an extension of our present relationships with the participating countries. In order to maintain unity of United States representation abroad, our ambassador in each country must retain responsibility for all matters requiring contracts with the government to which he is accredited, including operations under this program. Some additional personnel, technically qualified to perform specialized functions arising out of the program, should be placed in the embassies to represent and carry out the responsibilities of the Economic Cooperation Administration abroad.

In addition, I recommend that provision be made for a special United States Representative for the European Recovery Program. He would represent the United States at any continuing organization of the participating countries and he would exercise general coordination of our operations in Europe under the program. He should be appointed by the President, subject to confirmation by the Senate, and have Ambassadorial rank. Because of the joint interest of the Secretary of State and the Administrator in his activities, the special Representative must serve both as the President may direct. The activities of this Representative in promoting mutual self-help among the European nations will be of the utmost importance in achieving the success of the European recovery program.

The administrative arrangements I have described are in keeping with the character of the job to be done and will provide the most efficient and economical means for its performance.

Conclusion

In proposing that the Congress enact a program of aid to Europe, I am proposing that this Nation contribute to world peace and to its own security by assisting in the recovery of sixteen countries which, like the United States, are devoted to the preservation of free institutions and enduring peace among nations.

It is my belief that United States support of the European recovery program will enable the free nations of Europe to devote their great energies to the reconstruction of their economies. On this depend the restoration of a decent standard of living for their peoples, the development of a sound world economy, and continued support for the ideals of individual liberty and justice.

In providing aid to Europe we must share more than goods and funds. We must give our moral support to those nations in their struggle to rekindle the fires of hope and strengthen the will of their peoples to overcome their adversities. We must develop a feeling of teamwork in our common cause of combating the suspicions, prejudices, and fabrications which undermine cooperative effort, both at home and abroad.

This joint undertaking of the United States and a group of European nations, in devotion to the principles of the Charter of the United Nations, is proof that free men can effectively join together to defend their free institutions against totalitarian pressures, and to promote better standards of life for all their peoples.

I have been heartened by the widespread support which the citizens of the United States have given to the concept underlying the proposed aid to European recovery. Workers, farmers, businessmen and other major groups have all given evidence of their confidence in its noble purpose and have shown their willingness to give it full support.

I know that the Members of the Congress have already given much thoughtful consideration to the grave issues now before us. I know that the Congress will, as it should, consider with great care the legislation necessary to put the program into effect. This consideration should proceed as rapidly as possible in order that the program may become effective by April 1, 1948. It is for this reason that I am presenting my recommendations to the Congress now, rather than awaiting its reconvening in January.

I recommend this program of United States support for European recovery to the Congress in full confidence of its wisdom and necessity as a major step in our Nation's quest for a just and lasting peace.

Harry S. Truman

The White House

December 19, 1947
The result of the recent meeting of the Council of Foreign Ministers in London was disappointing. I realize that the many lengthy statements and the frequent and fundamental disagreements were very confusing to the general public. Also, the continuous accusations against the good faith, the integrity, and the purposes of the governments of the western powers, particularly the United States, necessarily added greatly to the confusion. This was, as a matter of fact, one of the purposes of these attacks.

I anticipated great difficulty in reaching a comprehensive agreement, but I did have a hope that we might take three or four fundamental decisions which would permit immediate action by the Four Powers to alleviate the situation in Germany this winter and greatly improve the prospects for all of Europe. That we failed to reach any such agreements is the greatest disappointment.

The United States Delegation went to London with an open mind, as I had stated we would in Chicago, but we went with a strong determination to bring to an end the division of Germany which has existed since the German capitulation. We were also determined that any agreement reached at London should be a genuine workable agreement, and not one which would immediately involve obstruction and frustration in the Allied Control Council when it came to be put into effect in Germany.

I shall review only briefly the interminable discussions during the weeks of debate at London. To us it was but a dreary repetition of what had been said and resaid at the Moscow conference. I shall endeavor, however, to point out the main issues on which the Conference deadlocked and give you my estimate of the underlying reasons.

The basic issue, as we saw it before the opening of the London conference, was whether or not the Allies could agree among themselves to reunite Germany.

The issue in regard to the Austrian treaty was even simpler and had already emerged clearly at the Moscow conference.

Because the two main issues which I have outlined would be the controlling factors in our discussions, three of the delegations had agreed that the Austrian treaty should be considered first and the economic principles to govern the treatment of Germany as an economic whole should come second. We felt that this order was logical and necessary if we were to debate with any prospect of success the remaining items on our agenda. The Soviet Delegation held a different view and insisted that questions on the preparation of a German peace treaty should be given precedence over the questions regarding immediate economic unity for Germany.

In order to get the Conference started, it was finally agreed to accept the Soviet request that the preparation of a German peace treaty should be item two on the agenda. As a result, with the exception of one day of discussion of Austria and the Austrian treaty, it was not until after 10 days of meetings that the Conference really reached the heart of the German question. These first 10 meetings were devoted to futile and somewhat unreal discussion of the mechanisms for the preparation of an eventual German peace treaty before the question of whether or not there was to be a united Germany had even been considered. There was one question, however, of real substance during this phase of the discussion which had a direct
THE COUNCIL OF FOREIGN MINISTERS

application not only to a German peace treaty but also to the immediate situation in Germany. This was the question of the present and future frontiers of the German state. No serious consideration of a peace treaty could be undertaken without first considering what was to be the area of the future German state. Three delegations had already expressed their agreement that the area of the Saar should be separated from Germany and integrated into French economy. Mr. Molotov refused to commit his Government on this point.

On this vital matter of frontiers, three delegations agreed to the establishment of a frontier commission or commissions to make an expert study of any proposed changes from the prewar frontiers. Mr. Molotov refused to agree. It was impossible for me to reconcile his urgent insistence upon the necessity of expediting the preparation for a German peace treaty with his categorical refusal to agree to the appointment of boundary commissions, which three delegations considered to be an absolutely essential first step in any serious preparation for a future German peace settlement.

Many other questions concerning the actual preparation of any peace treaty were discussed without agreement.

It was during this stage of the debate that Mr. Molotov insisted that the Four Powers should agree upon the immediate establishment of a German central government. Although the United States had been, I believe, the first of the four occupying countries to suggest at Moscow the desirability for the earliest possible establishment of a German provisional central government, it was obvious that until the division of Germany had been healed and conditions created for German political and economic unity, any central government would be a sham and not a reality. This view was shared by the other western delegations but to Mr. Molotov was completely unacceptable. This was the first clear evidence of his purpose to utilize the meeting as an opportunity for propaganda declarations which would be pleasant to German ears.

After several days of consideration by the deputies, the Austrian treaty was again brought to the conference table on December 4. The sole issue discussed was the determination of what were the true German assets in eastern Austria to which the Soviet Union was fully entitled by the Potsdam agreement. This had been the stumbling block in reaching final agreement on the treaty draft, and it was an issue which would determine whether or not Austria would be under such complete economic domination by the Soviet Union that it would be virtually a vassal state.

The French had endeavored to break the impasse by submitting a compromise proposal, but this was categorically refused by the Soviet Delegate. In the last hour of the final session of the Conference, Mr. Molotov indicated an apparent willingness to accept a percentage reduction in the Soviet claims, without specifying the actual amount involved in his proposal. The matter was immediately referred to the deputies, and I was informed just prior to my departure from England that the Soviet Government would submit later a detailed proposition.

It was not until the tenth meeting that the Conference really came to the heart of the problem—to a consideration of the harsh realities of the existing situation in Germany.

Several more days were to elapse, however, before the Council really came to grips with these realities. Discussions of procedure—of what document to discuss—again intervened to delay our work. However, on Monday, December eighth, the procedural issues were resolved, and the Council began the consideration of the fundamental issues which eventually led to the adjournment of the session without agreement.

I shall endeavor to indicate briefly what those issues were and the involved and protracted discussions over individual items.

The general issue was simple. It was whether or not Germany was to continue divided or whether the Allies could agree to recreate a unified Germany. Unless this could be achieved, all other questions relating to Germany would remain academic.

What then were the particular obstacles to the achievement of German economic and political unity?

The United States Delegation considered that there were certain fundamental decisions which the four occupying powers should take if German unity was to be achieved. These were:

1. The elimination of the artificial zonal barriers to permit free movement of persons, ideas,
and goods throughout the whole territory of Germany.

2. The relinquishment by the occupying powers of ownership of properties in Germany seized under the guise of reparations without Four Power agreement.

3. A currency reform involving the introduction of new and sound currency for all Germany.

4. A definite determination of the economic burdens which Germany would be called upon to bear in the future, that is, the costs of occupation, repayment of sums advanced by the occupying powers, and reparations.

5. An over-all export-import plan for all of Germany.

When these basic measures have been put into effect by the occupying powers, then the establishment under proper safeguards of a provisional government for all Germany should be undertaken.

Reparations soon emerged as a key issue. For the benefit of those not fully familiar with past negotiations on this subject, I wish to explain that a definite agreement had been concluded two years ago at Potsdam that reparations payments would be made by the transfer of surplus capital assets, that is, factories, machinery, and assets abroad, and not by payments from time to time out of the daily output of German production. One reason for this decision was to avoid an issue that would continue through the years between Germany and the Allies and between the Allies themselves concerning her ability to pay and the actual value of payments which had been made in goods. Also, it was clearly evident that for many years Germany would be involved in a desperate struggle to build up sufficient foreign trade to pay for the food and other items on which she will be dependent from outside sources. The best example of this phase of the situation that I can give is the present necessity for Great Britain and the United States to pay out some 700 millions a year to provide the food and other items to prevent starvation and rather complete disintegration of that portion of Germany occupied by our forces.

In other words, reparations from current production—that is, exports of day-to-day German production with no return—could be made only if the countries at present supplying Germany—notably the United States—foot the bill. We put in and the Russians take out. This economic truth, however, is only one aspect of Soviet reparation claims. In the eastern zone of Germany the Soviet Union has been taking reparations from current production and has also, under the guise of reparation, seized vast holdings and formed them into a gigantic trust embracing a substantial part of the industry of that zone. This has resulted in a type of monopolistic strangle hold over the economic and political life of eastern Germany which makes that region little more than a dependent province of the Soviet Union. A very strong reason, in my opinion, for our failure to agree at London was the Soviet determination not to relax in any way its hold on eastern Germany. Acceptance of their claims for reparations from current production from the western zones would extend that strangle hold over the future economic life of all Germany.

The Soviet position was nowhere more clearly indicated than by Mr. Molotov’s categoric refusal to furnish the Council of Foreign Ministers with information concerning the reparations already taken from the eastern zone, or indeed any information at all concerning the situation there, until full agreements had been reached. In effect we were to tell them what has occurred in the western zones, which we had already done, and they tell us nothing. That refusal to provide information absolutely essential for decisions as to the organization of German unity would by itself have made any agreement impossible. A remarkable illustration of the Soviet position in this matter was their carping criticism of the economic procedure in our zones, which we freely publish for the world to read, while virtually in the same breath blandly refusing to provide any data at all concerning their zone.

It finally became clear that we could make no progress at this time—that there was no apparent will to reach a settlement but only an interest in making more and more speeches intended for another audience. So I suggested that we adjourn. No real ground was lost or gained at the meeting, except that the outlines of the problems and the obstacles are much clearer. We cannot look forward to a unified Germany at this time. We must do the best we can in the area where our influence can be felt.

All must recognize that the difficulties to be overcome are immense. The problems concerned
with the treaty settlements for Italy and the satellite countries were simple by comparison, since none of those countries were divided into zones of occupation and all of them had an existing form of government. Germany by contrast is subdivided into four pieces—four zones. No trace of national government remains.

There is another and I think even more fundamental reason for the frustration we have encountered in our endeavor to reach a realistic agreement for a peace settlement. In the war struggle Europe was in a large measure shattered. As a result a political vacuum was created, and until this vacuum has been filled by the restoration of a healthy European community, it does not appear possible that paper agreements can assure a lasting peace. Agreements between sovereign states are generally the reflection and not the cause of genuine settlements.

It is for this very reason, I think, that we encountered such complete opposition to almost every proposal the western powers agreed upon. The Soviet Union has recognized the situation in its frank declaration of hostility and opposition to the European Recovery Program. The success of such a program would necessarily mean the establishment of a balance in which the 16 western nations, who have bound their hopes and efforts together, would be rehabilitated, strong in forms of government which guarantee true freedom, opportunity to the individual, and protection against the terror of governmental tyranny.

The issue is really clear-cut, and I fear there can be no settlement until the coming months demonstrate whether or not the civilization of western Europe will prove vigorous enough to rise above the destructive effects of the war and restore a healthy society. Officials of the Soviet Union and leaders of the Communist Parties openly predict that this restoration will not take place. We on the other hand are confident in the rehabilitation of western European civilization with its freedoms.

Now, until the result of this struggle becomes clearly apparent, there will continue to be a very real difficulty to resolve, even on paper, agreed terms for a treaty of peace. The situation must be stabilized. Western nations at the very least must be firmly established on a basis of government and freedoms that will preserve all that has been gained in the past centuries by these nations and all that their cooperation promises for the future.

**STATEMENTS BY SECRETARY MARSHALL**

*United States Reiterates Hope for Unified Germany and Austrian Independence*  
[Released to the press December 15]

The United States came to this Conference to work for a comprehensive settlement which would overcome the present division of Germany. It hoped to obtain agreement on a treaty for Austria and the reestablishment of that country as a free and independent state.

As regards Germany the United States sought to achieve at this meeting a solution which would revive German economy through economic unity, thus enabling Germans to contribute to the restoration of Europe, which has so grievously suffered from German aggression. The United States recognized that Germany in its present state of destitution would require outside assistance and was prepared to accept a fair share of the burden of such aid until a unified Germany could become self-sustaining.

December 28, 1947

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*The Soviet Delegation, Friday evening (December 12), put forth a statement regarding reparations which, to put it in the simplest of terms, is not at all acceptable to the United States Delegation. That is the situation as I now understand it.*

**Soviet Disagreement on Fundamental Principles for Germany**  
[Released to the press December 15]

We have reached quite evidently a fundamental difference regarding the question of reparations. Mr. Molotov's last statement seemed to me a repetition of statements which we largely felt were without foundation. Now at the expense of some repetition of the views Mr. Bevin has just stated,

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1 Statement made after Foreign Minister Bevin had spoken on Dec. 15 at the London meeting.
I would like to review the situation as it is seen by the United States Delegation.

The United States hoped there would emerge from this Conference the beginnings of a united and self-respecting Germany which could find its way back to peace and freedom and achieve its own well-being and redemption through cooperative effort with other European countries.

The United States had even higher hopes for an Austrian settlement.

It will be useful, I think, at this point to see just where we are.

We have failed to reach agreement on a treaty for Austria because the Soviet Union has demanded for itself properties and special privileges in Austria in an amount and to an extent which far exceed any rightful claims and which far exceed what a free Austria can afford. If Soviet claims were admitted, it would be at the price of Austrian independence and in violation of past agreements.

At Moscow the United States, the United Kingdom and France, although differing in some details, found a common basis for agreement on the essential unagreed article in the Austrian treaty—the problem of German assets. The Soviet Union was in disagreement. To resolve our differences we appointed a treaty commission which for five months conferred in Vienna last summer. Again three delegations found a common approach. Again the Soviet Union was in disagreement. At the present meeting the French Delegation presented a new proposal for a concrete settlement which sought to avoid the problems that had prevented agreement. To three delegations that proposal appeared to present a practical basis for settlement. On December 4 it was rejected by Mr. Molotov, who added that he had no new proposals to make on the subject. Thus the Soviet Delegation has persistently blocked agreement by reason of its unjustified demands on Austria.

As regards Germany, taking first the subject of frontiers, we have been unable to agree on what we mean by Germany. Three delegations are in accord that the Saar territory should be detached from Germany and economically integrated with France. The Soviet Union does not agree.

With respect to the eastern boundary of Germany, the Potsdam protocol clearly provided that the “final delineation of the western frontier of Poland should await the peace settlement”.

The United States believes that an effort should be made to establish a frontier which, while it would compensate Poland, would not become a formidable economic barrier preventing Germany access to food and raw materials from this eastern area upon which it has heavily depended.

Three of the delegations agree that boundary commissions be at once established to examine frontier questions. The Soviet Union rejects this proposal. So we neither agree on what Germany is to be nor do we agree on establishing commissions to study these vital boundary problems.

In examining the discussions on economic principles, we have progressed only in agreeing to procedures without substance.

We have failed to reach agreement on sharing of the financial burdens. An ostensible agreement on the equitable distribution of indigenous resources is deprived of all meaning by the Soviet demand for a continuation of present Soviet withdrawals of current German production for reparations.

The Soviet Union has refused to furnish vitally necessary information with respect to reparations removals. Thus we have been asked to reach agreement while information essential to such agreement is withheld by the Soviet representatives.

The Soviet Delegation has refused to agree to the relinquishment of property interests in Germany unilaterally seized under guise of reparations. As matters now stand a large share of the produce of the eastern zone of Germany is drawn off for the Soviet account. An important part of its industry has been placed in a gigantic Soviet trust which enjoys special privilege and which is put above German law, presumably in perpetuity.

These Soviet practices in eastern Germany have prevented Germany from playing its part in the recovery of Europe. In fact they have greatly increased the necessity for the outside aid provided by the United States and the United Kingdom to enable western Germany to live. Nevertheless, the Soviet representatives have chosen to charge that this aid has as its purpose to use western Germany as a “strategic base against the democratic states of Europe” and to advance “expansionist aims.” Apart from the complete absurdity of these charges, to discontinue this aid to some 40 million Germans in the U.S. and U.K. zones until they have become self-supporting would doom them to mass starvation.
The Soviet Union demands reparations for itself and Poland of 10 billion dollars at 1938 values, which is at least 15 billion dollars today. These reparation payments to an undisclosed degree would take the form of current production over 20 years. This demand is not in accordance with the Potsdam agreement. It is utterly impossible of achievement on practical economic grounds. It implies the establishment of an economic power so comprehensive that it would be in reality a power of life and death over any German government.

It was accepted by all at Moscow that full agreement on economic principles was essential to the establishment of political unification. We are unable to agree on what shall be the area of the German economy; we cannot agree how to make German resources available to Germany as a whole, a condition prerequisite to the revival of German economy; we are confronted with a demand for reparations in excess of the Potsdam agreement which would make a German government subservient to its reparations creditor. It is therefore clear that agreement can be reached only under conditions which would not only enslave the German people but would seriously retard the recovery of all Europe.

If real economic unity could have been established, the United States would have been ready for the German people to be immediately accorded, under agreed controls, self-government with the authority, responsibility, and initiative this entails. But free government cannot succeed under conditions of economic servitude. True political and economic unity would require a free movement of goods, persons, and ideas throughout Germany and the establishment of a rule of law and political freedom which the occupying powers themselves would respect.

A German government of any type established to function in present conditions and under the supervision of a control council reflecting these basic disagreements would be powerless. In such circumstances a German government would be only a façade, and its establishment would subtract from rather than add to a real union of the German people. It is useless to debate the characteristics of a German government when actual governmental power would be elsewhere.

The simple fact is, the present division of Germany has been caused by the policies and practices of the occupying powers themselves. Only the occupying powers can create German unity in the present circumstances. That is why the United States has consistently pressed for certain fundamental decisions by the occupying powers themselves as the absolutely essential first step for the achievement of a unified Germany.

Three delegations at this conference have registered their willingness to take these decisions here and now. The Soviet Union alone refuses to agree.

In view of these facts, it seems impossible at this time to make practical progress. Therefore, I reluctantly conclude that no useful purpose would be served by a debate on the other points on our agenda; and I suggest that the Council of Foreign Ministers might now consider adjournment of this session.

Proposal for Adjournment

[Released to the press December 15]

I proposed the adjournment, Mr. Chairman. I therefore do not think I have to express myself again. When we meet again, I hope that it will be in an atmosphere more conducive to the settlement of our differences.

Secretary Marshall’s proposal for adjournment was agreeable to the French Delegation, following which Mr. Bevin raised the question of the Austrian treaty and whether it should be sent to the deputies for further study. It was so decided. Mr. Bevin then called for discussion of the motion to adjourn and Secretary Marshall made the remarks above printed.
Delegates from 20 of the American republics to the First Inter-American Congress of Directors of Tourism and Immigration met in Panamá, Republic of Panama, August 4 to August 9, 1947. There were nine observers representing the Pan American Union, International Civil Aviation Organization (ICAO), American Automobile Association, International Air Transport Association, Air Transport Association of America, and similar private organizations interested in transportation and tourist travel, as well as 11 representatives, observers from Panamanian chambers of commerce, service clubs, associations, travel groups, and transportation companies.

The calling of the Congress was authorized by the President of Panama in decree 963 of April 19, 1947, for the stated purpose of consideration and agreement upon means tending to develop and facilitate, through uniform legislation on the subject, the movement of inter-American travelers. Although the Congress was convoked for the general purpose stated, the emphasis during the sessions was on the discussion of bona fide tourist traffic and the adoption of an inter-American tourist card. Early in the discussions it became apparent that the meeting was really based on proposals for the facilitation of tourist traffic which had been made in various inter-American conferences and congresses since 1920.

The inaugural address of the Congress was made on August 4 by Ricardo J. Alfaro, Minister for Foreign Affairs of Panama. The permanent President was Dr. Manuel J. Méndez G., Second Secretary of the Panamanian Foreign Office.

Three principal committees were named by the Congress as follows:

- Committee on the Tourist Card
- Committee on Tourism
- Committee on Immigration

The first committee was the most important. The principal discussions of the Congress were on the subject of tourist cards. The consensus among the delegates was in favor of action on the principal point, namely, the substitution of an inter-American tourist card for existing passports and visas for bona fide tourists. The United States Delegation stated at the first plenary session its position concerning this matter and made clear the fact that, under present conditions and existing legislation and regulations, the United States would have to continue the enforcement of its present requirements for the presentation of passports, or documents in lieu of passports, and visas by travelers to the United States. It was reiterated during the other plenary sessions and in committee meetings that in principle the United States favored simplification of passport and visa procedure and elimination, so far as possible, of restrictions on nonimmigrant travel.

It was pointed out by the United States Delegation to the Congress that the United States has in recent months taken important steps in the...
mattered of simplification of documentation in connection with nonimmigrant travel; and it was further stated that, as a matter of fact, the proposed inter-American tourist card and its accompanying landing card offered little or no advantage over the simplified and streamlined, postcard size, nonimmigrant form 257 now used by the Department of State and the United States Immigration Service for nonimmigrant travelers.

It was proposed by the United States Delegation that any facilities which might be extended to bona fide tourists should be extended also to other nonimmigrant travelers, particularly to persons traveling for reasons of business or commercial negotiations. It was pointed out that this principle had been approved in the Meeting of Experts on Passport and Frontier Formalities called by the United Nations to prepare for the World Conference on Passport and Frontier Formalities held in Geneva, Switzerland, April 14 to April 25, 1947. Regardless of precedents and arguments presented, the Congress went on record by a majority vote as recommending that the facilities proposed to be extended through the inter-American tourist card should be granted only to bona fide tourists and definitely not to other nonimmigrant travelers.

The accomplishments of the Congress were a series of recommendations to be presented through the Panamanian Foreign Office and through the Pan American Union to the various American republics concerned as well as to the Dominion of Canada for possible adoption. The principal recommendations of the Committee on the Tourist Card were:

1. That an inter-American tourist card be adopted immediately by the 21 American republics and the Dominion of Canada;
2. That the tourist card replace passports and visas and be issued for the exclusive use of bona fide tourists;
3. That the tourist card be issued by the governments concerned and their authorized agents;
4. That the tourist card issued by any nation be valid for travel in all the other American republics and the Dominion of Canada when such countries had adopted the proposed tourist-card system;
5. That countries adopting the card issue it solely to their own citizens;
6. That each country adopting the card admit into its territory the nationals of any other American country to whom a card had been issued, without additional requirements;
7. That each country issuing the tourist card guarantee the reentry into its own territory of its own citizens to whom such card had been issued.
8. That the tourist card be issued upon certificates as to health, good conduct, economic solvency, and proof of nationality;
9. That the tourist card have a uniform format which was specified in the recommendation and which would satisfactorily identify the traveler as well as the issuing official and that the card be valid for six months, renewable for additional periods of the same length (the validity of the card was made for six months; the recommendation of the United States Delegation was that it be made valid for two years, to be consistent with the recently initiated practice of the Department of State of giving nonimmigrant visas such validity and as recommended in the Geneva meeting of experts in April of this year);
10. That a uniform tourist card be drawn up by the Pan American Union according to specifications set out in the resolution and presented to the various nations for adoption;
11. That the acceptance of a tourist card imply the obligation of the bearer to comply with the laws of the country he proposes to visit and not to intervene directly or indirectly in its internal politics;
12. That the right of American nations to celebrate bilateral or multilateral agreements giving greater facilities in transit and visit, and existing agreements giving greater advantages, not be invalidated;
13. That the interested nations sign and ratify a convention legalizing the use of the card in the shortest possible time.

The United States Delegation proposed and the Congress approved a resolution that all fees in connection with the issuance of visas or tourist cards for temporary visitors be waived on a basis of reciprocity. It will be noted that this recommendation is in accordance with the present policy of the United States Government to enter into reciprocal bilateral agreements for the elimination of visa fees, and it will be observed also that the resolution covered visa fees for all temporary

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visitors, as that term was defined in another resolution also presented by the United States Delegation defining the terms temporary visitors and immigrants.

The Committee on Tourism presented recommendations which were approved by the Congress, providing in general:

1. That tourist travel throughout the Americas and the Dominion of Canada be encouraged;

2. That specific measures for the development of tourist travel be adopted, such as the preservation of historic monuments, the completion of the Pan American Highway, preference for highways near national monuments, increased accuracy in tourist propaganda, facilities for transporting automobiles and the elimination of customs duties thereon, the establishment of national tourist agencies and automobile associations, the construction of additional hotels and negotiation of long-term loans for that purpose, and a uniform inter-American code of tourism to be compiled by the American Institute of International Law;

3. That the final act of the First Inter-American Congress of Directors of Tourism and Immigration be referred to the coming Third Pan American Travel Congress, to be held in Buenos Aires in the spring of 1948, with a view to the adoption and reinforcing of its resolutions by that Congress.

The Committee on Immigration formulated brief resolutions recording the fact that the Congress viewed with sympathy and recommended the review and simplification of all laws and procedures involving documentation for travel, including the travel of immigrants; the removal of unnecessary restrictions, so far as possible; and the adoption, in general, of the documentation recommended by the Meeting of Experts for the preparation of a World Conference on Passports and Frontier Formalities held in Geneva in April 1947.

A resolution was passed to record that the Congress viewed with sympathy immigration into the Western Hemisphere of citizens of countries "such as democratic Italy".

Although decree 963 authorized that a Congress of Directors of Tourism and Immigration be convoked, the Congress was immediately referred to as the "First Inter-American Congress of Directors of Tourism and Immigration" without any action's having been taken on the adoption of that name. A motion was presented in the Congress for the calling of a second congress in this series, but a statement by the observer representing the Pan American Union, who pointed out that the approaching Third Travel Congress at Buenos Aires would deal with the problems under discussion, caused the delegates to defeat the motion for the calling of a Second Inter-American Congress of Directors of Tourism and Immigration.

The 33 resolutions passed by the Congress were incorporated into the final act, which was signed in solemn session in the assembly hall of the National University at Panamá on the evening of August 9. Nineteen of the delegations signed without reservations. Paraguay was not represented. The United States Delegate signed the final act with the following reservation:

"The Delegation of the United States of America interpreting the sentiments of its Government, views with sympathy the efforts which the countries of America, members of the Pan American Union, are making through recommendations of the First Inter-American Congress of Directors of Tourism and Immigration to remove restrictions and simplify procedure and thus facilitate the movement of tourists, native-born and naturalized, of each of the countries; however, in subscribing to the Final Act of the Congress this delegation, in order to leave the position of its country clearly defined, and due to existing statutes and regulations of its country and the necessity of close control abroad of travelers to the United States, must sign with a reservation that the United States of America finds it necessary for the present to require passports, or documents in lieu of passports, such as the Inter-American Tourist Card, and appropriate visas of travelers applying for admission to the United States.

"Therefore, this delegation takes the liberty of submitting this statement to be incorporated in the record."

The Secretariat of the Congress, composed of officials and personnel of the Foreign Office of the Government of Panama, has undertaken to prepare the report of the Congress for publication, including the final act, in Spanish, English, Portuguese, and French and to distribute it to the 21 American republics and the Dominion of Canada.

Closing remarks were made by Benjamín Roca Muelle, the Peruvian Delegate, and Antonio Pino R., Minister of Agriculture, Commerce, and Industry of Panama.
As I passed Dunster House on my way here this evening, I was reminded of an ancestor of mine who spent several months in jail. His crime was preaching the Baptist faith in a day when Congregationalism was the preferred religion—preferred not only by the theologians but also by the courts. For the same insistent adherence, a member of his church was removed from a job which he had graced for 14 years. The churchman was Henry Dunster. The job was the founding and first presidency of Harvard.

If there is any moral to be drawn from this bit of historical flotsam it is, I suppose, that our civilization has gone through the stage of its development when intellectual curtains—iron or silken—are to be tolerated, and our yearning to go forward is offended by any suggestion that “progress” requires us to go through that stage again. Perhaps it is necessary for all peoples to go through the adolescence of civilization, but certainly something is to be gained by knowing what is adolescence and what is maturity.

The pattern of life that we know as democracy is the present product of centuries of trials and errors. History has been our cradle. It can be our guide—but it cannot be our limousine. Our way of life will survive in today’s bitter ideological controversy only if it continues to provide better answers than any other system. Since democracy is engaged in a life or death competition—life or death, in all probability, not only for our way of life but for us as well—it is mere common prudence to check over from time to time the elements that make our system function and see that they are in a healthy state—such things as education, a constant flow of truthful information, widespread discussion, and a maximum development of the intellectual and moral resources of every person.

We shall need an adequate sense of responsibility on the part of those upon whom responsibility rests. In this country, for instance, our newspapers are not only responsible for purveying the news and for editorializing, but they are also responsible for performing, to a large extent, a function that in such a country as England rests in Parliament—the examining of the Executive Branch of the Government both to elicit information and to subject to careful scrutiny the soundness of the Government’s policies. Obviously such a function must be carried out with an eye to the national welfare as well as to the headlines.

Another vital function of our democracy is carried on in a way that is not referred to in any constitution. That is the function of public discussion; not mere listening and absorption of facts but the sharp appraisal of views, the give and take of debate, and the arriving at a consensus. In earlier days it was done largely through town meetings that went on in every town and hamlet. Now it takes place to an increasing extent through chambers of commerce, labor groups, farm organizations, education and professional societies, women’s clubs, foreign-affairs associations—organizations having all kinds of basic interests, all knowing that their interests are related in one degree or another to foreign-affairs developments.

The fact is that a little-noticed revolution in the way in which we do our national thinking is being carried out by the thousands of men and women throughout the country who, by their participation and work in organized groups, constitute a major force in developing and expressing a body of opinion on questions of foreign policy. The interest that gave rise to this movement became noticeably apparent during the first World

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War. It was stimulated to further growth by the debates over American participation in the League of Nations and by concern over the expansion of totalitarianism during the thirties. The recent war and its aftermath provided another impetus to this grass-roots concern with international affairs. Its recent growth is indicated by the fact that in 1948 the State Department received requests for liaison arrangements from 211 private organizations; a year later, the number had increased to 409. It is reflected, of course, in article 71 of the United Nations Charter.

A public-opinion poll indicates that about one out of every six or seven American adults belongs to an organization where world affairs are discussed. A similar survey indicates that persons having membership in such organizations are 50 percent more likely to be well informed about world affairs than are nonmembers.

At the same time, there has never been a period when the people who have the primary responsibility for formulating and executing our foreign policy have been as conscious as they are today of the need of an informed and understanding public opinion.

All this constitutes a really noteworthy phenomenon of our time. It is the sort of thing that in the long run spells defeat for Communist dictatorship.

There are no push buttons for those who wish to play a useful part in the public’s contribution to the formulation of this country’s foreign policy. A book published last week by the Brookings Institution entitled Major Problems of United States Foreign Policy serves a useful purpose in illustrating the kind of intellectual discipline that is involved in foreign-policy formulation—a discipline as arduous and distinctive in its nature as the disciplines involved in law or the sciences.

More and more, I think, we are coming to recognize that as we approach any substantial problem of foreign policy, there is bound to be a period when we must first ascertain what the questions are; a further period when we must make sure that we have all of the available facts; and a further period when we must balance alternatives and make sure that we are adopting the best answer. In a democracy answers cannot come instantaneously. Indeed, if they do, it may be a sign that the democratic process has not been vigorously at work.

Justice Holmes used to remark that there are some statements to which the only answer is, “Well, I’ll be damned”. There are also, in this world, some situations posing policy problems where any answer that can conceivably be advanced can be conclusively demonstrated to be wrong. There are occasions when it is quite simple to make out a strong case against a particular line of action, and all that can be said in its favor is that an even stronger case can be made against any other course. That is life in this imperfect world. It will do no good to be hysterical or morose about it.

We are also learning the need of sticking with a problem and knowing that the struggle for a better world, like every other struggle, has its thin moments as well as its moments of reward.

For our part, in the State Department, in implementing this democratic process, we are making every effort to find and follow the path of full and frank information that leads between secrecy and public statements consisting only of predigested intellectual pabulum on the one hand and high-pressure propaganda on the other.

In our democracy there are three general ways in which the nongovernmental members of our body politic contribute to the strength and success of our foreign policy.

The first role of public opinion is to fix the limits within which our foreign policy must operate: either to support or weaken particular courses of action. Foreign policy in this country can never get very far ahead of or very far behind public opinion. If a particular policy receives public support it is likely to succeed. If it does not, in the long run it will be doomed to failure. In 1938 public opinion was not prepared to support even a quarantine foreign policy. Today it is apparent, from the way in which the Friendship Train has stirred public imagination, from public-opinion polls, from editorial and commentator opinion, that the public is increasingly aware of the kind of world we inhabit and of the implications of that world.

It will be this public opinion that will determine whether we take action for the present emergency arising from the worst drought, flood, and freezing conditions in Europe since the Napoleonic era; whether we take action for the next four-year
period of economic recovery from the war; and whether we also go on to take steps to establish a world economic pattern that will promote generally progressive standards of living and stable conditions that are compatible with a peaceful world.

The second function which the public plays with respect to foreign policy is that of executing it. In normal times the day-to-day buying habits of the American people, for instance, have almost as much to do with our economic foreign relations as so-called “policy decisions” in Washington. So does their buying restraint in times like these. Similarly with Unesco. It is well and good to adopt a charter which says “It is in the minds of men that the defenses of peace must be constructed.” But the adoption of the charter accomplishes little if people do not aid in the educational reconstruction of war-devastated countries, make their personal opinion felt in their communities, take an active part in training for peace, join personally in adult education, and promote good will and understanding among the racial and religious groups in their communities.

The third function of the public is to provide the ferment of constructive thinking, to make sure that the fullest possible discussion is given to any particular subject, that all possible alternatives are carefully canvassed so that from this free enterprise of ideas the best will emerge into what we call public opinion. It is not too much to assert that the foreign policy of tomorrow will be the result of the studies and discussion that are going on today all over the country. We find ourselves today confronted with a problem of international policy which illustrates the essential role of this process. That is the question of how to prevent the destructive use of atomic energy.

When the blows that fell on Hiroshima and Nagasaki were fresh in our minds, it was clear to us that our way of life was dependent upon finding some way to control the uses of atomic energy. Nothing that has happened since has lessened the urgency of that task. Indeed, the dangers have increased.

In our handling of our internal problem in this country we have demonstrated in concrete terms the seriousness with which the American people regard the question of atomic control and our willingness to accept innovations in govern-
to the operation and management of dangerous facilities, the international agency shall actually own all such facilities. Furthermore, the agency shall own all source materials as soon as they are mined and all nuclear fuels as they are produced. We felt that if ownership resides in a nation and the international agency is simply an inspection and reporting agency, there would be a strong possibility that when the agency inspected and reported on a nationally owned plant, the nation would protest that its sovereignty was being invaded. Inspection, in such circumstances, would not only prove ineffective; it would fall by sheer weight of the number of inspectors that would be required. The Soviet Union, on the other hand, does not envisage a control authority with such positive powers. It sees in it an instrument for interference with the internal affairs of sovereign states. It proposes essentially national control over dangerous activities, subject only to some measure of international supervision.

The third difference of opinion has to do with the extent of the power of inspection. The majority believes that the power of inspection should be very broad but that the existence of the Atomic Development Authority would make the problem one of manageable proportions. The second report of the Uxaec \(^2\) contains a very carefully worked-out chapter on inspection which gives broad powers to the agency but which makes the exercise of these powers subject to definite procedures, including a provision for warrants and right of appeal—all designed to protect nations and persons against unwarranted interferences.

The Soviet Union feels that the inspection authority might lead to interference with the national economy of sovereign states and that it should be carefully limited. They are especially wary of any possibility of air surveys. Its proposals rely primarily on periodic inspection of known atomic-energy facilities and activities with no certain means provided for finding out about illegal activities.

In the fourth place, the majority believes that atomic-energy control should be considered and achieved separately and prior to the regulation of conventional armaments. We contend that the very character of the atomic weapon requires that it be given special treatment and that any control of conventional armaments without prior control of the bomb would be superficial and meaningless. The Soviet Union has pressed for simultaneous consideration of conventional-arms regulation and atomic-energy control; in other words, for treatment of the bomb as if it were merely another weapon. This follows from their basic position that control of the bomb does not require particularly thoroughgoing measures.

Fifth, and finally, the majority believes that violators of agreements relating to the control of the atomic bomb should not be able to invoke a veto to protect themselves from sanctions which must be swift and certain. The Soviet Union insists on maintaining the veto in this field. It contends that in as much as the whole system should operate within the framework of the Security Council, the rule of unanimity should apply.

As can be readily seen from these five points, the area of disagreement is large, even though both parties profess to believe in international control and strict inspection.

During 1946 and the early part of this year, much of the debate centered around the question of the veto. There were some who asserted that our insistence on the veto was unnecessary; that the point was largely legalistic since any violation such as the unilateral seizure of an internationalized uranium mine would be as tangible evidence of a threat to peace as the appearance of paratroopers over a neighbor's border. The nations would therefore, invoke their right of self-defense and go to war, a right which the Charter recognizes in article 51.

It has been our position, however, that a veto against sanctions to enforce atomic-energy control would be a nullification of the whole effort and contrary to the spirit of the Charter. The invocation of the veto and the beclouding of issues which would take place might very easily cloak a course of preparation for that single decisive moment of atomic war.

In connection with the Soviet demand for the abolition of the atomic bomb along with other weapons, it should be recalled that a great land power can arm and disarm with much less trouble and time than a nation which relies on sea or air or atomic power. It would tie in with Soviet mili-

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\(^1\) Department of State publication 2032.

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Tary interests to set up some system of parity among the different kinds of weapons and then call for deep horizontal cuts for all weapons.

In the final analysis, the problem of the veto and the relative priority of conventional-armaments control and a separate atomic-energy convention are of somewhat less importance than the question of whether the destruction of bomb stocks is to precede an international control convention and the question of ownership and operating management as opposed to mere supervisory control. Here we are bound to conjecture as to the motives of the Russians in taking the position which they do. It is at least consistent with an intention to bring about the disarmament of the rest of the world while leaving themselves, as a totalitarian country which operates behind an iron curtain, free to make atom bombs and otherwise secretly arm themselves.

The tactics of the Russians have seemed to be to filibuster in the United Nations while at the same time trying to (1) attract support from anxious minority opinion in other countries; (2) infiltrate research and control programs in all other countries; (3) hasten their own development of atomic weapons; and (4) extend their area of effective political domination. The longer the filibuster can be prolonged, the more they can hope to play upon the idealism of those who are desperately anxious to preserve peace and may, therefore, be receptive to Soviet professions and propaganda.

Needless to say, it is a paradox that the greatest Socialist country in the world, Russia, should be opposed to an ownership system, whereas the United States should be in the position of asserting that a superficial control and inspection were not sufficient.

That is where we stand. We are faced with the necessity of a reconsideration of our policy. Shall negotiations in the Atomic Energy Commission be allowed to continue without hope of real achievement, or shall they be brought to an unmistakable halt? So long as we merely continue debate in the Atomic Energy Commission, the people of this country and other countries may miss the gravity of the situation and be lulled into a sense of false security. At the same time we must be sure that there is no modification in our proposals which, if adopted, would make possible reasonable world security. And, of course, even if negotiations should be suspended or terminated, the United States must make it perfectly clear that its offer still stands.

One thing that we have learned is that it is impossible to examine facts objectively with the Russians. The members of the Atomic Energy Commission, representing 12 different countries, were an unusually able group of men, and much of the debate was of a high character. But the Soviet Delegates appeared not to be listening to them at all. They were intent only on creating disagreement or engaging in arguments on procedure. No reasonable compromise, no intelligent discussion seemed possible. It was a debate between two different types of thinking. One side believes that the world can be brought into a consistent authoritarian system, unchanging in its nature, and that this end is so desirable that any means is justified in attaining it. The other side believes that change is the very essence of advance and that we are struggling toward new forms of society, measuring each gain by objective data gauged on human benefits.

It is obvious that we shall have to learn how to deal and get along with a mentality of the other sort. Our present policy is based upon adherence to the principles of the United Nations Charter and other established codes of international behavior, taking whatever action we may find it possible to take to see that these principles are adhered to and enforced. Our hope is that gradually, bit by bit, one Soviet official after another will find that in order to further the best interests of the Soviet Union, whether it be of an economic, scientific, or some other nature, he will have to recommend that Russia cooperate in one way or another with other nations and with the various organs and agencies of the United Nations. Russia, like all other nations, is a part of one world, and as long as the rest of the world adheres to a moral order the Russians sooner or later will, we hope, find themselves in a position of having to base their actions in accordance with the facts of world existence.

It has become increasingly clear that the question of effective atomic-energy control is only part of what we may call "the great debate" which is now going on between the Western World and the Soviet system. This debate has ranged on the one hand all those countries who support freedom
and democracy and the right of peoples to order their lives in their own ways, and on the other a new feudalism which seeks to imprint itself over wider and wider areas of the earth.

If the western nations win this debate, the adherents of the new feudalism may recognize that their future lies in working cooperatively with the rest of the world in seeking peace, security, and well-being.

If the western countries win this debate it seems possible that effective control of atomic energy, realistic regulation and reduction of armaments, and other constructive endeavors in the United Nations can be achieved. If we lose the debate all such endeavors fail.

My purpose this evening has not been to give answers. No one yet knows the answers. I have tried to raise questions—questions that involve important stakes, world peace and security. Our policy in this area is at the crossroads. Rarely has there been an opportunity for sober, searching public discussion to contribute so much to the safety and well-being of mankind. And never, I think, has there been a people so well-equipped to perform this task.

**General Agreement on Tariffs and Trade**

**EXPLANATION OF TARIFF RATES**

The President on December 16 issued a proclamation putting into effect provisionally as of January 1, 1948, the general agreement on tariffs and trade negotiated at Geneva. The proclamation gives effect to the general provisions and to tariff rates specified in schedule XX of the general agreement, with certain exceptions. These exceptions are the rates of duty, including all rates in part II of schedule XX, which are applicable to products which are of primary interest to countries which were at Geneva but which have not undertaken to put their tariff schedules into effect on January 1.

As each of these countries signifies its intention to put its tariff concessions into effect, a further proclamation will be issued by the President giving effect to United States rates now withheld on items of primary interest to such countries. The countries which have undertaken to put their concession into effect on January 1, 1948, are: Australia, Canada, the Belgium-Netherlands-Luxembourg Customs Union, France, and the United Kingdom.

There is attached a copy of the list, contained in the proclamation, of the tariff paragraphs and rates specified in part I of schedule XX which will not be given effect as of January 1, 1948. The text of schedule XX may be obtained either from the Government Printing Office (50 cents) or in volume 4 of the General Agreement on Tariffs and Trade, issued by the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y.

**TEXT OF PROCLAMATION**

[Released to the press December 16]

Whereas (1) section 350 (a) and (b) of the Tariff Act of 1930, as amended by section 1 of the act of June 12, 1934 entitled "An Act To amend the Tariff Act of 1930," by the Joint Resolution approved June 7, 1943, and by section 2 of the Act of July 5, 1945, provides as follows:

"Sec. 350. (a) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American produc-

1 Not printed; contained in Department of State press release 973 of Dec. 16, 1947.

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tion which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

"(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and

"(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder. No proclamation shall be made increasing or decreasing by more than 50 per centum any rate of duty, however established, existing on January 1, 1945 (even though temporarily suspended by Act of Congress), or transferring any article between the dutiable and free lists. The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly, or indirectly: Provided, That the President may suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts (including the operations of international cartels) or policies which in his opinion tend to defeat the purposes set forth in this section; and the proclaimed duties and other import restrictions shall be in effect from and after such time as is specified in the proclamation. The President may at any time terminate any such proclamation in whole or in part.

"(b) Nothing in this section shall be construed to prevent the application, with respect to rates of duty established under this section pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an exclusive agreement with Cuba concluded under this section, modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba: Provided, That the duties on such an article shall in no case be increased or decreased by more than 50 per centum of the duties, however established, existing on January 1, 1945 (even though temporarily suspended by Act of Congress)."


WHEREAS (2) the period within which the President is authorized to enter into trade agreements under said section 350 (a) was extended by section 1 of the Act of July 5, 1945 until the expiration of three years from June 12, 1945 (48 Stat. 944, ch. 474, 59 Stat. 410, ch. 269; 19 U.S.C. (1940) Supp. V, 1352 (c));

WHEREAS (3) section 304 of the Tariff Act of 1930, as amended by section 3 of the Customs Administrative Act of 1938, provides in part as follows:

"(a) . . . The Secretary of the Treasury may by regulations—

"(3) Authorize the exception of any article from the requirements of marking if—

"(J) Such article is of a class or kind with respect to which the Secretary of the Treasury had given notice by publication in the weekly Treasury Decisions within two years after July 1, 1937, that articles of such class or kind were imported in substantial quantities during the five-year period immediately preceding January 1, 1937, and were not required during such period to be marked to indicate their origin: Provided, That this subdivision (J) shall not apply after September 1, 1938, to sawed lumber and timbers, telephone, trolley, electric-light, and telegraph poles of wood, and bundles of shingles; but the President is authorized to suspend the effectiveness of this proviso if he finds such action required to carry out any trade agreement entered into under the authority of the Act of June 12, 1934 (U. S. C., 1934 edition, title 19, secs. 1351–1354), as..."
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extended." (52 Stat. 1077 and 1078, ch. 679; 19 U. S. C. (1940) 1304 (a) (3) (J));

WHEREAS (4) I, Harry S. Truman, President of the United States of America, have found as a fact that certain existing duties and other import restrictions of the United States of America, the Commonwealth of Australia, the Kingdom of Belgium, the United States of Brazil, Burma, Canada, Ceylon, the Republic of Chile, the Republic of China, the Republic of Cuba, the Czechoslovak Republic, the French Republic, India, Lebanon, the Grand-Duchy of Luxemburg, the Kingdom of the Netherlands, New Zealand, the Kingdom of Norway, Pakistan, Southern Rhodesia, Syria, the Union of South Africa, and the United Kingdom of Great Britain and Northern Ireland are unduly burdening and restricting the foreign trade of the United States of America and that the purpose declared in said section 350 (a) of the Tariff Act of 1930, as amended, will be promoted by a trade agreement between the Government of the United States of America and the Governments of some or all of the above-named countries;

WHEREAS (5) reasonable public notice of the intention to negotiate such trade agreement was given and the views presented by persons interested in the negotiation thereof were received and considered;

WHEREAS (6), after seeking and obtaining information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, Commerce, the Army, and the Navy, and from other sources, on October 30, 1947 I entered, through my duly empowered Plenipotentiary, into a trade agreement with the Governments of the above-named countries, which trade agreement, consisting of the General Agreement on Tariffs and Trade including nine annexes and twenty schedules and the related Protocol of Provisional Application of the General Agreement on Tariffs and Trade, together with the Final Act Adopted at the Conclusion of the Second Session of the United Nations Conference on Trade and Employment which authenticated the texts of said general agreement and said protocol, which trade agreement is authentic in the English and French languages as indicated and is embodied in the document annexed to this proclamation;

WHEREAS (7) the Governments of the United States of America, the Commonwealth of Australia, Canada, and the Grand-Duchy of Luxemburg, and, in respect to their respective metropolitan territories, the Governments of the Kingdom of Belgium, the French Republic, the Kingdom of the Netherlands, and the United Kingdom of Great Britain and Northern Ireland, having signed said protocol prior to November 15, 1947, will apply provisionally, on and after January 1, 1948, pursuant to paragraph 1 thereof, (a) parts I and III of said general agreement and (b) part II thereof to the fullest extent not inconsistent with existing legislation;

WHEREAS (8) I determine, in accordance with the provisions of article 27 of said general agreement that the concessions provided for in part I of schedule XX of said general agreement which are identified in the following list should not be applied so long as such concessions are identified in such list:

[Here follows the list, as announced in Department of State press release 973 of December 16, 1947.]

WHEREAS (10) I find that such modifications of existing duties and other import restrictions and such continuance of existing customs or excise treatment of articles as are hereinafter proclaimed will be required or appropriate, on and after January 1, 1948, to carry out said trade agreement;

AND WHEREAS (11) I find that the suspension of the effectiveness of the proviso to subdivision (J) of section 304 (a) (3) of the Tariff Act of 1930, as amended, is required, except with respect to bundles of red-cedar shingles, to carry out said trade agreement;

Now, therefore, be it known that I, Harry S. Truman, President of the United States of America, to the end that said trade agreement may be carried out and acting under the authority of the said sections 304 and 350 of the Tariff Act of 1930, as amended, do hereby proclaim, effective on and after January 1, 1948 and subject to the provisions of said protocol and to the exceptions and conditions set forth in subdivisions (a), (b), and (c) below, such modifications of existing duties and other import restrictions of the United States of America and such continuance of existing customs or excise treatment of articles

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2 Not here printed.
imported into the United States of America as are specified or provided for in parts I, II, and III, annexes D, H, and I, and part I of, and the general notes in, schedule XX of said general agreement:

(a) The rates of duty and import tax specified in the column at the right of the respective descriptions of products in part I of schedule XX of the said general agreement shall be applied, subject to the applicable terms, conditions, and qualifications set forth in that schedule and in parts I, II, or III of that agreement, to all articles of the kinds provided for in the said descriptions, except that no such rate shall be applied to a particular article by virtue of this proclamation if, when the article is entered, or withdrawn from warehouse, for consumption,—

(I) the rate represents a concession identified in the list set forth in the 8th recital of this proclamation,

(II) the rate is specified in item 720 (a), item 745, item 806 (b), or the first item 1529 (a) in part I of schedule XX of said general agreement as set forth in the document annexed to this proclamation, or

(III) more favorable customs treatment is prescribed for the article by a statute, proclamation, or executive order then in effect;

(b) The rates of duty specified in the 9th recital of this proclamation shall be applied respectively to the articles described in the column at the left of such rates as though the said rates, descriptions, and related paragraph numbers appeared in part I of schedule XX of said general agreement; and

(c) Nothing in this proclamation shall be construed as authorizing the application of any rate of duty or import tax computed on the basis of the provisions of article I of the said general agreement, except such rates as may hereafter be proclaimed pursuant to the provisions of section 350, Tariff Act of 1930, as amended;

And I further proclaim that, on and after January 1, 1948, the effectiveness of said proviso to subdivision (J) of section 304 (a) (3) of the Tariff Act of 1930, as amended, shall be suspended, except with respect to bundles of red-cedar shingles.

December 28, 1947

In witness whereof I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the City of Washington this 16th day of December in the year of our Lord nineteen hundred and forty-seven and of the Independence of the United States of America the one hundred and seventy-second.

By the President:

ROBERT A. LOVETT
Acting Secretary of State

Suspension of Undertaking With United Kingdom in General Agreement on Trade and Tariffs

[Released to the press December 19]

The United Kingdom has requested that section C of schedule XIX of the general agreement on trade and tariffs shall be suspended pending its renegotiation on the grounds that a misunderstanding existed with regard to the provisions of this undertaking.

Section C of schedule XIX makes provision for reductions in margins of preference in British colonial areas and provides further that this concession may be made inoperative in the event that United States regulations require the consumption of more than a certain percentage of general-purpose synthetic rubber.

The provisions of the undertaking did not become clear until after the close of the Geneva conference. In view of the fact that there was not full accord on this undertaking, the United States has agreed to its suspension, with the understanding that this arrangement does not involve relinquishing this concession on either side but leaves the United States and the United Kingdom free to agree upon mutually satisfactory terms at a later date.

Discussions with the United Kingdom on this subject will not take place until after the Congress has established what the national rubber policy will be after the expiration of the present law (Public Law 24, 80th Congress).
Anglo-American Agreement Regarding Germany

GENERAL SUMMARY OF AGREEMENT

Representatives of the Government of the United States and the Government of the United Kingdom signed on December 17 an agreement which revises and extends the bizonal fusion agreement of December 2, 1946. The agreement was signed on behalf of the Government of the United States by Robert A. Lovett, Acting Secretary of State, and on behalf of the Government of the United Kingdom by Sir William Strang, Political Adviser to the British Commander-in-Chief in Germany.

It will be remembered that the agreement between the two Governments for the economic fusion of their zones of occupation in Germany was reached on July 30, 1946, at Berlin. The bizonal fusion agreement of December 2, 1946, set out in detail how the fusion arrangement would work so far as the international trade of the Bizonal Area was concerned and divided between the two Governments the responsibility for providing imports necessary to prevent disease and unrest. Neither that agreement nor the present agreement affect political or military aspects of the occupation.

Under the 1946 agreement the cost of such imports was divided equally between the two Governments. The Government of the United Kingdom have found it impossible, however, to continue to pay dollars for the cost of essential imports for Germany. They have therefore had to ask the Government of the United States to agree to a revision of the agreement, and the new agreement provides that the Government of the United States will in respect of the period November 1, 1947, to December 31, 1948, undertake the liability, subject to Congressional appropriations, to provide those imports for the Bizonal Area which are essential for the needs of the civilian population and which cannot be paid for in sterling. The Government of the United Kingdom will pay for such imports as can be procured in the sterling area.

It is estimated that the additional dollar commitments thus undertaken by the Government of the United States will amount to about 400 million dollars in 1948. Under the terms of the agreement, the Government of the United Kingdom will provide a contribution of some 4 1/2 million pounds sterling (approximately 18 million dollars) in goods and services, and 4 million pounds sterling (approximately 16 million dollars) in sterling in 1947. They will also provide goods and services from sterling area sources in 1948 valued at 17 1/2 million pounds sterling (approximately 70 million dollars) and will hold available the sum of 4 1/4 million pounds sterling (approximately 17 million dollars) to be used to procure such additional supplies from the sterling area as it may be possible to obtain in the future.

The above contribution by the Government of the United Kingdom will include the provision of 33 ships to lift cargoes for Germany from United States ports in November and December of this year, and enough ships to lift 12 complete cargoes each month during the calendar year 1948.

The agreement does not relate to expenditures which may be incurred by either Government for the maintenance of forces of occupation and control staff in Germany and which remain the responsibility of each government.

The agreement does not disturb the existing administrative arrangements within Germany for the bipartite control of economic affairs.

It does, however, provide with respect to two of the principal bipartite agencies responsible for economic affairs for United States control commensurate with the larger financial undertaking by the United States. These agencies are the Joint Export-Import Agency and the Joint Foreign Exchange Agency. The JELA handles the foreign accounts and finances of the JIEA which in turn handles the export-import business of the two zones. The mechanism for this increased measure of control consists of an arrangement whereby voting on the boards of directors of JELA and
JFEA shall be weighted in proportion to the financial contribution of the two countries from appropriated funds since January 1, 1947, when the agreement of December 2, 1946, entered into force.

In cases involving important issues, the decisions of the JELA and JFEA boards may be reviewed by the Bipartite Board at the request of either of the two Military Governors of the zones who make up the Board. Action can be suspended only until adequate opportunity has been afforded for review of the issue in all its aspects. This would mean that a case which raises major issues of foreign policy may be brought to the attention of the two Governments.

One of the questions which had to be considered during these negotiations was that of the continued convertibility into dollars of the sterling funds at present held by the JFEA. The Government of the United Kingdom have reaffirmed a previous understanding that if at any time the dollar holdings of the JFEA fall below 20 million dollars, it will convert into dollars, sterling held by JFEA sufficient to restore the dollar holding to that minimum. The liability to convert affects not only the capital of the JELA but also any sterling accruing as a result of trade.

In recognition of the serious dollar difficulties of the United Kingdom, the Government of the United States has agreed that, so far as practicable, the operations of the JELA shall be so conducted that not more than the sterling equivalent of 40 million dollars shall be required to be converted in 1948 under this arrangement.

Moreover, if for any reason the rate of drawing of dollars through the conversion of sterling should be such as to result in an undue drain on the dollar resources of the United Kingdom, the matter may be raised by the Government of the United Kingdom with the Bipartite Board, and, if necessary, between the two Governments for the purpose of seeking some method acceptable to the Government of the United States, whereby the rate of drawing of dollars through the conversion of sterling can be decreased.

The agreement provides that "The JELA shall enter into immediate negotiations with representatives of the Government of the United Kingdom with a view to drawing up a plan to maximize trade in both directions between the Bizonal Area and the sterling area." Such trade shall be conducted in sterling with a periodic settlement in dollars of balances in either direction in excess of 1 1/8 million pounds (approximately 6 million dollars).

The hope of the two Governments underlying this agreement is to establish as early as possible an economy in the Bizonal Area which can be maintained without assistance from either Government and which will contribute to the peaceful rehabilitation of Europe.

TEXT OF AGREEMENT

[Released to the press December 18]

WHEREAS paragraph 12 of the Bizonal Fusion Agreement signed at New York on December 2, 1946, provides for its amendment by mutual agreement,

AND WHEREAS the Government of the United Kingdom have requested the Government of the United States to take part in discussions with a view to revising, in the light of current international financial developments, the provisions of the Bizonal Fusion Agreement which relate to the division of responsibility for the payment for imports,

AND WHEREAS the Government of the United Kingdom have represented that they are unable to continue to make payments in dollars in respect of such imports,

AND WHEREAS it is the intention of the two Governments to develop, in that part of Germany which is subject to their jurisdiction, an economy which can be maintained without financial assistance from either Government,

AND WHEREAS the representatives of the two Governments have entered into and completed discussions regarding the revision of the terms of the Bizonal Fusion Agreement as requested by the Government of the United Kingdom,

It has been agreed by the Government of the United States and the Government of the United Kingdom as follows:—

Financial Responsibility for the Period Ending December 31, 1948

1 (a) The Government of the United Kingdom shall have no further liability to pay dollars for Category A goods and services imported into the United States and United Kingdom Zones of Occupation in Germany (hereinafter called the "Bizonal Area"). The liability of the Government of the United Kingdom to supply Category A goods and services shall, subject to the provision of the necessary appropriations, be discharged by the proviso of:
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(i) all deliveries which may be made in the period November 1, 1947, to December 31, 1947 (to the estimated value of £5,500,000, approximately the equivalent of $14,000,000), against commitments already undertaken by the Government of the United Kingdom for procurement from sterling area sources, together with such other sterling area purchases as the Government of the United Kingdom may be able to make for delivery within the period (to an estimated value of £1,000,000, approximately the equivalent of $4,000,000); and

(ii) goods, services or sterling against commitments already undertaken by the Government of the United Kingdom for procurement of Category A supplies for the Bizonal Area from countries outside the sterling area to a total value of £4,000,000 (approximately the equivalent of $16,000,000). (The Government of the United Kingdom shall pay for any such goods which can be delivered against sterling payment in the period November 1, 1947, to December 31, 1947, and any charges which may be involved in the cancellation of outstanding contracts and shall pay the balance of the sum mentioned above to the Joint Export-Import Agency in sterling; and

(iii) a sum of £4,250,000 (approximately the equivalent of $17,000,000) in discharge of the obligations undertaken by the Government of the United Kingdom in accordance with the provisions of the Bizonal Fusion Agreement for the procurement for delivery after December 31, 1947, of Category A supplies for the Bizonal Area from countries outside the sterling area. (This sum shall be held by the Government of the United Kingdom and shall be used for the purchase of Category A supplies and services from the sterling area and shall be spent, with the agreement of the Joint Export-Import Agency, as and when it may be possible to purchase such supplies or services without involving a direct or indirect dollar drain upon the United Kingdom.) and

(iv) Category A goods from the sterling area during the calendar year 1948 and services to be rendered during the same period (as set forth in the Annex to the present Agreement) to the total value of £17,500,000 (approximately the equivalent of $70,000,000).

(b) The services to be provided by the Government of the United Kingdom under the terms of the preceding subparagraph of this paragraph shall include the furnishing, so far as is practicable, of such ships as may be necessary to lift thirty-three complete cargoes allocated for shipment to the Bizonal Area from United States ports in the period November 1, 1947, to December 31, 1947, and the furnishing during the calendar year 1948 of a sufficient number of freight ships to lift twelve complete cargoes for the Bizonal Area each month from United States Atlantic and Gulf Coast ports; subject to market possibilities, such freight ships shall be chartered for three consecutive voyages on Bizonal account or approximately for a period of six months.

(c) Subject to the provision of the necessary appropriations, the balance of the Category A requirements for the Bizonal Area in the period November 1, 1947, to December 31, 1948, shall be provided by the Government of the United States.

(d) It shall be the responsibility of the Joint Export-Import Agency to keep an account of the contributions made by the two Governments in accordance with the provisions of the preceding sub-paragraphs of this paragraph and to establish that the valuations placed on the goods and services so furnished are fair and reasonable.

2. The financial liability of the two Governments under the present Agreement is exclusive of whatever expenditure may be incurred by either Government for the maintenance of forces of occupation and control staff for Germany.

Trade Between the Bizonal Area and the Sterling Area

3. (a) The Joint Export-Import Agency shall enter into immediate negotiations with representatives of the Government of the United Kingdom with a view to drawing up a plan to maximize trade in both directions between the Bizonal Area and the sterling area. The United States and British Military Governors in Germany shall co-operate with representatives of the Government of the United Kingdom for the purpose of meeting the needs of the United Kingdom for heavy steel scrap and timber to the greatest extent consistent with the requirements of the bizonal economy and conflicting demands for these products.

(b) All trade between the Bizonal Area and the sterling area shall be conducted in sterling in both directions. From January 1, 1948, payments in respect of such trade shall be made in the following manner:

(i) The Joint Foreign Exchange Agency shall open an account with the Bank of England to be known as "The Joint Foreign Exchange Agency No. 1 Account".

(ii) All payments to residents of the sterling area in respect of goods imported into the Bizonal Area, or services rendered on behalf of the Bizonal economy (other than goods or services provided by the Government of the United Kingdom from appropriated funds in accordance with the provisions of paragraph 1 (a) of the present Agreement) shall be made from the No. 1 Account.

(iii) Payment for all exports sold to residents of the Bizonal area, or services rendered to such residents, shall be paid into the No. 1 Account.

(iv) The Joint Foreign Exchange Agency shall, as and when it may be necessary, arrange that transfers be made from its other accounts to the No. 1 Account to an amount sufficient to ensure that there is always a credit balance in its favor in the No. 1 Account. Any amounts so transferred may be withdrawn from the No. 1 Account when they are no longer required in order to maintain a credit balance in the Account.

(v) A statement showing the state of the No. 1 Account at the close of business on the last day of each of the months of March, June, September and December shall be rendered on the first day of business of the following calendar month by the Bank of England to the Joint Foreign Exchange Agency.

(vi) If any such statement shows that, after deduction of the net amount of any transfers made in accord-
ance with the provisions of clause (iv) above, there is a credit balance in the No. 1 Account in excess of £1,500,000, the Bank of England for account of the Government of the United Kingdom shall, against reimbursement from the No. 1 Account in sterling, make a payment of an amount equivalent to the excess, in United States dollars, to the account of the Joint Foreign Exchange Agency at the Federal Reserve Bank of New York.

(vii) If any such statement of account shows that, after deduction of the net amount of any transfers made in accordance with the provisions of clause (iv) above, there is a debit balance in the No. 1 Account in excess of £1,500,000, the Joint Foreign Exchange Agency shall sell United States dollars to an amount equivalent to the excess to the Bank of England, for account of the Government of the United Kingdom, and the sterling proceeds of such sale shall be credited to the No. 1 Account.

(viii) Provided that a credit balance is maintained in the No. 1 Account, transfers may be made from that Account to the other sterling accounts of the Joint Foreign Exchange Agency if necessary in order to maintain the minimum sterling balances required under the provisions of sub-paragraph (b) of paragraph 4 of the present Agreement.

Convertibility of Sterling Held by the Joint Foreign Exchange Agency

4 (a) Notwithstanding the provisions of paragraph 11 of the present Agreement, the Government of the United Kingdom recognize a continuing liability to convert into dollars in accordance with the provisions of sub-paragraph (b) of this paragraph, any sterling held by the Joint Foreign Exchange Agency at the date of signature of the present Agreement and any sterling acquired by the Joint Foreign Exchange Agency during the period of the present Agreement.

(b) The sum to be kept in the dollar accounts of the Joint Foreign Exchange Agency shall not be less than $20,000,000 and the sum to be kept in the sterling accounts (other than the No. 1 Account) of the Joint Foreign Exchange Agency shall not be less than the sterling equivalent of $20,000,000 unless the total of the sums held in these accounts, as shown in the books of the Agency, falls below the equivalent of $40,000,000 in which case the amounts held in the dollar and in the sterling accounts shall (within a maximum variation of the equivalent of $1,000,000) be kept equal. Transfers from the sterling accounts to the dollar accounts and transfers from the dollar accounts to the sterling accounts shall be made when the holdings of dollars or sterling as the case may be fall below the minima indicated above. Such transfers shall be in sums of $1,000,000 or the sterling equivalent thereof.

(c) Any conversion of sterling into dollars in accordance with the provisions of sub-paragraphs (a) and (b) of this paragraph shall be effected by the purchase of dollars from the Bank of England by the Joint Foreign Exchange Agency. Any such purchases shall be made at the rate of $1 equals £4.03. If, at any time, the Joint Foreign Exchange Agency purchases sterling in exchange for any other currency, such purchases shall be effected through the Bank of England.

Agency for Foreign Trade

5. The Government of the United Kingdom recognize that so long as the Government of the United States is called upon to make the major contribution towards the cost of the essential imports of the Bizonal Area, that Government shall be entitled to a larger measure of authority with respect to the operations of the Joint Export-Import Agency and the Joint Foreign Exchange Agency. Paragraph 4 of the Bizonal Fusion Agreement is accordingly amended as follows:

“4 (a) Responsibility for foreign trade shall rest initially with the Joint Export-Import Agency (United States/United Kingdom). This responsibility shall be transferred to German administrative agencies under the supervision of the Joint Export-Import Agency to the maximum extent permitted by the restrictions existing in foreign countries at any given period.

“(b) Except in so far as the use to which they shall be put has been determined in advance by agreement between the two Governments, and subject to the authority of each Government over the expenditure of its own appropriated funds, and any legislative limitations which may be placed thereon, the appropriated funds available for carrying out the terms of this Agreement shall be expended in accordance with schedules established by the Joint Export-Import Agency. These schedules shall be drawn up in accordance with the general policies of the two Military Governors (constituting the Bipartite Board) and shall be used as a basis for procurement in accordance with the provisions of paragraph 8 of this Agreement, subject to any amendment effected by agreement between the two Governments.

“(c) The Joint Export-Import Agency shall be responsible for the approval of all imports and exports and for procurement in accordance with its responsibilities under the provisions of paragraph 8 of this Agreement, subject
to any amendment effected by agreement between the two Governments. It shall be the responsibility of the Joint Export-Import Agency to develop a maximum export program consistent with the accomplishment of over-all objectives in Germany and in conformity with the policy of the two Governments gradually to transfer responsibility to German administrative agencies. The Bipartite Board shall facilitate the work of the Joint Export-Import Agency in developing such a program.

"(d) The Joint Export-Import Agency and the Joint Foreign Exchange Agency shall operate in accordance with the general policies of the Bipartite Board to conduct or to supervise the import and export trade of the Bizonal Area. Each of these agencies shall be governed by a board of directors, to which the respective Military Governors shall each appoint an equal number of members. The decisions of the board of directors shall be determined by the majority vote of its members. The members appointed by each Military Governor shall vote as a group. Each group shall have a voting strength in relation to the other group equal to the proportion which the appropriated funds made available by their respective Governments under the provisions of this Agreement, or any subsequent amending agreement, plus the funds contributed by each Government to the capital of the Joint Export-Import Agency, bear to the total funds made available by the two Governments for these purposes.

"(e) Either Military Governor may, should he consider that any action which it is proposed that the Joint Export-Import Agency or the Joint Foreign Exchange Agency should take is likely to prejudice the interests or conflict with the policies of his Government, request that the matter be referred to the Bipartite Board for review. In that event the proposed action shall be suspended pending Bipartite Board review. Such suspension shall continue only until adequate opportunity has been afforded in the Bipartite Board to ensure that the issue has been reviewed in all its aspects, unless the Bipartite Board unanimously agree to disapprove or modify the proposed action.

"(f) Subject to the provisions of the preceding subparagraphs of this paragraph, the Bipartite Board shall delegate to the Joint Export-Import Agency and the Joint Foreign Exchange Agency full power and authority necessary for the conduct of the export-import trade, including the authority to contract for imports and exports through such agencies as it may designate, to borrow and lend money, to pay and collect accounts, and to utilize and distribute foreign currency, and such other necessary authority as is essential to the rehabilitation and promotion of peaceful trade and commerce."

**Basis of Economic Planning**

6. Paragraph 5 of the Bizonal Fusion Agreement shall be amended as follows:

"5. The United States and United Kingdom Military Governors in Germany shall, in accordance with the policy of the two Governments, use their best endeavors to develop at the earliest possible date, in that part of Germany which is under their jurisdiction, an economy which can be maintained without further financial assistance from either Government, and which will at the same time contribute to the peaceful rehabilitation of Europe."

**Procurement**

7. Paragraph 8 of the Bizonal Fusion Agreement shall be amended as follows:

"8. The determination of import requirements shall be the responsibility of the Joint Export-Import Agency. The procurement of these requirements shall be dealt with as follows:

"(i) Procurement of imports financed from funds appropriated by either Government shall be the responsibility of that Government except to the extent that such responsibility is delegated by the Government concerned to the Joint Export-Import Agency.

"(ii) Procurement of all other imports shall be the responsibility of the Joint Export-Import Agency with such assistance from the two Governments as may be required. Unless otherwise agreed, procurement shall be from the most economical sources of supply. Provided that the procurement of essential imports shall not be prejudiced thereby, the sources shall be selected, to the fullest extent practicable, so as to minimize the drain on the dollar resources of the Government of the United Kingdom (accordingly where required imports are known to be available from dollar and sterling area sources of supply and conditions regarding price, quality and terms of delivery are equal, the imports shall normally be procured from the sterling area source).

"(iii) With respect to any procurement where the financial responsibility rests with one Government and the agreed source of supply is within territory under the authority of the other Government, the latter, if so requested, shall accept responsibility for procuring those supplies as agent for the former."

8. The Bizonal Supplies Committee, established under the provisions of paragraph 8 of the Bizonal Fusion Agreement, shall be abolished.

9. Representatives of the two Governments shall consult together in Washington in regard to the following matters:

(a) The programing of the procurement of Category A goods against programs of import requirements submitted by the Joint Export-Import Agency.

(b) The methods to be employed by agencies of either Government, whether directly or through the Joint Export-Import Agency, in the purchase of such products as cereals, livestock products, oils, fats, pulses and fertilizers, in certain markets of primary importance to the United Kingdom, such as Canada, Argentina and Europe, in view of the fact that uncoordinated purchases in these markets might adversely affect United States or United Kingdom supply interests.

**Definitions**

10. (a) For the purposes of the present Agreement, the expression "the sterling area" shall be deemed to mean

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"the scheduled territories", which expression has the meaning assigned to it under the provisions of the Exchange Control Act, 1947, of the United Kingdom. "The scheduled territories" at present include:-

(i) Great Britain and Northern Ireland.
(ii) Australia, New Zealand, Union of South Africa, Eire, India, Pakistan, Southern Rhodesia and Ceylon.
(iii) Any British Colony and any territory under the protection of His Britannic Majesty.
(iv) Any territory in respect of which a mandate on behalf of the League of Nations was accepted by His Britannic Majesty and any territory placed under the trusteeship system of the United Nations, which territories are being administered by His Majesty's Government in the United Kingdom or in any Dominion.
(v) Burma.
(vi) Iraq and Transjordan.
(vii) Iceland and the Faroe Islands.

If and when any alteration is made to the definition of the expression "the scheduled territories" for the purposes of the Exchange Control Act, 1947, of the United Kingdom, the Government of the United Kingdom shall forthwith notify that change to the Joint Foreign Exchange Agency and the expression "the sterling area" shall be deemed to have been correspondingly amended for the purposes of this Agreement.

(b) For the purposes of the present Agreement, the Bipartite Finance Committee (United States—United Kingdom), provided for in the Bizonal Fusion Agreement, shall be deemed to have been superseded by the Joint Foreign Exchange Agency.

(c) Any reference in the present Agreement to the Joint Export-Import Agency or the Joint Foreign Exchange Agency shall be construed to refer likewise to any successor organization or organizations.

Provisions for Entry Into Force, Amendment and Renewal

11 (a) The present Agreement shall come into force on signature. The present Agreement and the Bizonal Fusion Agreement shall constitute a single agreement between the two Governments, which shall remain in force until agreement has been reached for the treatment of Germany as an economic unit or until December 31, 1948, whichever is the sooner. In either event, the Joint Export-Import Agency and the Joint Foreign Exchange Agency shall continue to function until such time as further agreement is reached concerning them.

(b) The two Governments shall consult together before June 30, 1948, at the request of either of them, for the purpose of reviewing the operation of the Agreement and of considering whether any amendment should be made in its terms. The two Governments shall also consult together before December 1, 1948 to consider the terms and conditions of a new Agreement for a further period.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed the present Agreement.

DONE at Washington, in duplicate, this seventeenth day of December, 1947.

For the Government of the United States of America:

ROBERT A LOVETT.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

WILLIAM STRANG

ANNEX

Provision by the Government of the United Kingdom of Category A Goods and Services in the Calendar Year 1948

The goods and services to be provided by the Government of the United Kingdom during the calendar year 1948 in accordance with the provisions of paragraph 1 (a) (iv) of the Agreement, are as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>£million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fish</td>
<td>5.55</td>
</tr>
<tr>
<td>Pulses</td>
<td>0.45</td>
</tr>
<tr>
<td>Seeds</td>
<td>1.65</td>
</tr>
<tr>
<td>Oils, Vegetables and miscellaneous food</td>
<td>2.00</td>
</tr>
<tr>
<td>Insecticides</td>
<td>0.50</td>
</tr>
<tr>
<td>Fertilizers</td>
<td>1.10</td>
</tr>
<tr>
<td>Freight</td>
<td>5.00</td>
</tr>
<tr>
<td>Miscellaneous goods</td>
<td>1.25</td>
</tr>
</tbody>
</table>

17.50 (approximately the equivalent of $70,000,000)

The Government of the United Kingdom may, in consultation with the Joint Export-Import Agency, make reasonable adjustment in the composition of this list.
Policy on Gold Subsidies

STATEMENT BY THE INTERNATIONAL MONETARY FUND

The International Monetary Fund has a responsibility to see that the gold policies of its members do not undermine or threaten to undermine exchange stability. Consequently every member which proposes to introduce new measures to subsidize the production of gold is under obligation to consult with the Fund on the specific measures to be introduced.

Under article IV, section 2, of the articles of agreement of the Fund, members are prohibited from buying gold at a price above parity plus the prescribed margin. In the view of the Fund, a subsidy in the form of a uniform payment per ounce for all or part of the gold produced would constitute an increase in price which would not be permissible if the total price paid by the member for gold were thereby to become in excess of parity plus the prescribed margin. Subsidies involving payments in another form may also, depending upon their nature, constitute an increase in price.

Under article IV, section 4 (a), each member of the Fund "undertakes to collaborate with the Fund to promote exchange stability, to maintain orderly exchange arrangements with other members, and to avoid competitive exchange alterations". Subsidies on gold production regardless of their form are inconsistent with article IV, section 4 (a), if they undermine or threaten to undermine exchange stability. This would be the case, for example, if subsidies were to cast widespread doubt on the uniformity of the monetary value of gold in all member countries.

Subsidies which do not directly affect exchange stability may, nevertheless, contribute directly or indirectly to monetary instability in other countries and hence be of concern to the Fund.

A determination by the Fund that a proposed subsidy is not inconsistent with the foregoing principles will depend upon the circumstances in each case. Moreover, the Fund may find that subsidies which are justified at any one time may, because of changing conditions and changing effects, later prove to be inconsistent with the foregoing principles. In order to carry out its objectives, the Fund will continue to study, and to review with its members, their gold policies and any proposed changes to determine if they are consonant with the provisions of the Fund agreement and conducive to a sound international policy regarding gold.

STATEMENT BY THE SECRETARY OF THE TREASURY

The United States Government welcomes the statement of the International Monetary Fund respecting measures to subsidize the production of gold. The expressed intention of the Fund to keep under review the gold policies of its members in the light of a sound international gold policy is an important forward step in the field of international financial cooperation.

The United States, as the largest gold-buying country, has a peculiar and continuing interest in the role which gold subsidies may come to play in the production, movement, and price of gold. In particular, the United States would view with disfavor any tendency for countries to become dependent on subsidized gold production as a solution to the problem of arriving at and maintaining equilibrium in their balances of international payments.
In the view of the Council there are no grounds which would justify instituting a subsidy to encourage the production of gold in this country. The present monetary-gold stocks of the United States amount to no less than 22.7 billion dollars. In the first 11 months of 1947 gold purchases by the United States from foreign countries amounted to 2.7 billion dollars.

Protocol Signed Permitting Italy’s Participation in Distribution of Monetary Gold Looted by Germany

[Released to the press December 16]

A protocol was signed in London on December 16 on behalf of the Governments of the United States, Great Britain, France, and Italy by Lewis W. Douglas, Ernest Bevin, M. Massigli, and Duke Tommaso Gallarati-Scotti, whereby Italy is permitted to participate in the distribution of monetary gold looted by Germany.

Under the final act of the Paris conference on reparation of January 14, 1946, provision was made for participation by Italy in this distribution.

As a result of exchanges between the Governments of the United States, Great Britain, and France it was decided that Italy should receive a proportional share of the gold, distributed on the same basis as the countries signatory to the act, provided that approximately 23,000 kilograms (approximately 23 million dollars’ worth) of fine gold be first set aside out of its share and deposited with the three Allied Governments mentioned. This is the equivalent of amounts which it is now known will be claimed from Italy by France (some 14,500 kilograms) and by Yugoslavia (some 8,500 kilograms) under article 75, paragraph 8, of the peace treaty with Italy. This paragraph states that Italy shall return all monetary gold wrongfully removed from any United Nation to that nation.

The Tripartite Commission for the Restitution of Monetary Gold has been set up at Brussels to effect the distribution of monetary gold on behalf of the signatories to the Paris act. So far, 3,805 kilograms (approximately $3,800,000) have been set aside as Italy’s share in the preliminary distribution.

December 28, 1947
Claims of American Nationals Against Bulgaria
Under the Peace Treaty

[Released to the press December 15]

The treaty of peace with Bulgaria which recently came into force provides that legal rights and interests of American nationals in Bulgaria as they existed on April 24, 1941, are to be restored, and the Bulgarian Government is required to return all property in Bulgaria of United Nations nationals as it now exists. Where property has not been returned within six months from the coming into force of the treaty (i.e., within six months from September 15, 1947), application for the return thereof is to be made to the Bulgarian authorities on or before September 15, 1948, unless claimants are able to show that applications could not be filed within that period. In cases where property cannot be returned or where, as a result of the war, a United Nations national has suffered a loss by reason of injury or damage to property in Bulgaria, the Bulgarian Government is required to make compensation in local currency to the extent of two thirds of the sum necessary, at the date of payment, to purchase similar property or to make good the loss suffered. To enable claims to receive consideration under the treaty, claimants must have been nationals of one of the United Nations on October 28, 1944 (the date of the armistice with Bulgaria), and on September 15, 1947 (the date the treaty came into force).

The Department of State has recently been advised of the requirements of the Bulgarian Government in connection with the preparation of claims and will communicate directly in the near future with all claimants of whom the Department has a record, advising them of such requirements.

American nationals, including individuals, corporations, and associations, resident outside Bulgaria who desire to file claims under the treaty should, upon being advised of the requirements in that connection, prepare and submit their claims to the Office of the Legal Adviser, Department of State, Washington, D. C., at the earliest practicable date. Claimants residing in Bulgaria should, upon receipt of instructions as to the method of preparing claims, prepare and file their claims with the American Legation in Sofia.

Claimants who desire to file claims of the character indicated but who have not previously communicated with the Department of State regarding that subject should do so at once.

The Department of State and the American Legation in Bulgaria will endeavor to render claimants such assistance as is practicable in connection with the preparation of their claims and in the transmittal thereof to the Bulgarian Government. Full responsibility for the actual preparation of claims, however, and for the submission of the necessary documentary evidence to establish their validity, rests with the claimants and their attorneys.

When information regarding the procedure for preparing and filing claims under the treaties of peace with Italy, Hungary, and Rumania becomes available, similar press releases will be issued.

Extradition Treaty With Union of South Africa Signed

There was signed at noon on December 18, 1947, by Robert A. Lovett, Acting Secretary of State, and Harry Thomson Andrews, Envoy Extraordinary and Minister Plenipotentiary of the Union of South Africa at Washington, a treaty of extradition between the United States of America and the Union of South Africa.

The treaty provides for the extradition by each of the two countries of fugitives from justice from the other country and includes the crimes and offenses usually enumerated in the extradition treaties of the United States with other foreign countries.

Our relations with the Union of South Africa in regard to extradition have been governed by the several treaties and conventions concluded between the United States and Great Britain from 1842 to
1905. Those treaties and conventions will cease to have effect as between the United States and the Union of South Africa when this new treaty is brought into force by an exchange of ratifications of the two Governments and a subsequent publication of the treaty in both countries.

**PUBLICATIONS**

**Department of State**

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.


Agreement between the United States of America and Peru regarding cooperative program in Peru, supplementing and amending agreement of May 11, 1942, as extended—Effectuated by exchange of notes signed at Lima April 18 and 19, 1947; entered into force April 19, 1947.


An interim report of the proceedings of the Atomic Energy Commission from January 1 to September 11, 1947, covering the progress made in the work of the Commission during that time and discussing the points of disagreement expressed by the Soviet Union and the formulation of specific proposals by the Commission.


Statements and remarks by the U.S. Representative to the United Nations, the U.S. Representative to the General Assembly, and the representative of the Office of Special Political Affairs, Department of State, regarding United Nations proposal for measures to be taken against propaganda and the inciters of a new war.


A discussion of the sanitary conventions in relation to the World Health Organization.

**Diplomatic List, December 1947. Pub. 3001. 194 pp. 20¢ a copy; $2 a year.**

**Treasury Department Publication**

**Census of American-Owned Assets in Foreign Countries, United States Treasury Department, Office of the Secretary, Washington, D. C.**

On December 15 the Treasury Department made public a report showing the results of a census of American-owned assets in foreign countries taken in 1943 by the Treasury Department's Office of Foreign Funds Control. In the foreword, Secretary Snyder points out that for the first time the real size and scope of American-owned assets in foreign countries is made available to the public.

Copies of the report may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

**THE FOREIGN SERVICE**

**Consular Offices**

The American Consulate at Colombo, Ceylon, was raised to the rank of Consulate General on August 14, 1947.

The American Vice Consulate at Concepción, Chile, was closed to the public on December 5, 1947.

The American Embassy at Manila became a combined office on December 1, 1947.

The American Vice Consulate at Aruba, Netherlands West Indies, was raised to the rank of Consulate, effective January 1, 1948.

**Confirmations**

On December 17, 1947, the Senate confirmed the following Executive nominations:

Herbert S. Bursley to be American Ambassador Extraordinary and Plenipotentiary to Honduras.

Avra M. Warren and Robert M. Scotten to be American Envoys Extraordinary and Ministers Plenipotentiary to Finland and to New Zealand, respectively.

December 28, 1947
THE RECORD OF THE WEEK

Current United Nations Documents:
A Selected Bibliography

Economic and Social Council


Confirmations to the United Nations

On December 17, 1947, the Senate confirmed the following Executive nomination:


THE DEPARTMENT

Departmental Regulations

240.1 Responsibilities Under the International Organizations Immunities Act: (Effective 2–21–47) The International Organizations Immunities Act, enacted December 29, 1945 (Public Law 291, 79th Congress) provides that certain privileges, exemptions, and immunities shall be extended to such public international organizations and to their officers and employees as shall have been designated by the President through appropriate Executive Order as being entitled thereto. The Executive Order designated the Department of State as the agency to receive applications and authorized the Secretary of State to require such information as he may deem necessary from those international organizations which apply to receive the privileges conferred by the Act, and to prepare recommendations to the President as to whether the applicants organizations should be designated by Executive Order as public international organizations entitled to enjoy the privileges, exemptions, and immunities conferred by the Act. (Revised 11–1–47)

I Responsibilities of the Protocol Staff (S/S-PR), Executive Secretariat (S/S). S/S-PR is given responsibilities for the performance of the Department of State under the International Organizations Immunities Act, as follows:

A Receiving, in behalf of the Secretary, applications of organizations desiring privileges, exemptions, and immunities provided in the Act.
B Reviewing in the first instance, such applications to assure that they satisfy the announced requirements for consideration by the Department.
C Maintaining a complete record of organizations and individuals accorded privileges, exemptions, and immunities provided in the Act.
D Serving as the center of information and services for the administration of the Act, and acting as liaison with other Government agencies concerned with the execution of the Act.

II Responsibilities of the Division of International Organization Affairs (OA), Office of Special Political Affairs (SPA).

A The Division is given responsibilities for the performance of the Department of State under the International Organizations Immunities Act, as follows:

1 Reviewing applications which S/S–PR has found to satisfy the announced requirements for consideration in order to determine eligibility of organizations for benefits envisaged by the Act.
2 Drafting the necessary Executive Orders, and submitting recommendations to the Secretary for his approval and transmittal to the President.

B In the performance of the foregoing responsibilities, OA will consult when appropriate, with S/S–PR, the Office of the Legal Adviser (Le), the Division of International Conferences (IC), the Visa Division (VD), the geographic Divisions, and other Divisions whose responsibilities or interests are directly concerned with the applicant organizations.

Appointment of Officers

Jack Bernard Tate as Deputy Legal Adviser, effective October 20, 1947.
Donald L. Nicholson as Deputy Director, Office of Controls, effective November 3, 1947.
H. Stuart Hughes as Chief, Division of Research for Europe, November 30, 1947.
Walter M. Kotschnig as Chief, Division of International Organization Affairs, effective November 6, 1947.

1 Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.
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**Contributors**

*George P. Shaw*, author of the article on the First Inter-American Congress of Directors of Tourism and Immigration, served as Chairman of the United States Delegation to the Congress and is Counselor, American Embassy, Quito, Ecuador.
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